

Special Reports

State Aid to Local Governments

State Aid to Local Governments, excluding School Aid, is recommended at \$278.7 million for FY 2007. This represents a \$14.5 million increase from the FY 2006-revised funding level of \$264.2 million. Direct formula aid is distributed through General Revenue Sharing, Payment in Lieu of Tax Exempt Property, Distressed Communities Relief, Motor Vehicle Excise Tax Phase-Out, and Library Aid programs. Pass-through aid is distributed through the Public Service Corporation and Meals and Beverage Tax programs. The General Revenue Sharing (\$65.2 million) and the Motor Vehicle Excise Tax Phase-out (\$129.1 million) programs represent approximately seventy percent of total aid payments in FY 2007.

The following information provides a historical perspective on state aid to local governments. Tables showing formula aid by community for FY 2003 through FY 2007 are provided at the end of the narrative section.

State Aid to Cities and Towns – General Revenue Sharing (RIGL 45-13-1)

General Revenue Sharing is the major unrestricted state aid program to municipalities. Since FY 1994, one percent of total state tax revenues from the second prior fiscal year has been earmarked as state aid to cities and towns under this program. The distribution formula, established in Section 45-13-1 of the Rhode Island General Laws, is modeled after the former federal General Revenue Sharing model and is based on per capita income and local tax burden for public purposes, excluding taxes allocated to education expenses.

For each county, city or town tax effort is divided by per capita income squared, designated as R in the general laws [$R = (\text{tax effort}) / (\text{income} * \text{income})$]. The amount allocated to a county is based on the ratio of the value of R for the county to the total value of R for all five counties. Then, the amount distributed to cities and towns within each county is based on the ratio of each city/town to the sum of all values of R for all cities/towns in the county.

During the January 1998 session of the General Assembly, Section 45-13-1 was amended to increase the percentage of general revenues distributed to cities and towns from one percent to 4.7 percent by FY 2009. This increase was intended to offset the loss in revenues to each city and town due to the phase-out of the wholesale and retail inventory tax over the same time period. During the 2002 session of the General Assembly, the annual increases were delayed by one fiscal year, resulting in the FY 2003 percentage remaining at the FY 2002 level of 2.4 percent. The 2003 General Assembly modified the way census data is used in calculations to phase in per capita personal income from the 2000 census over ten years beginning in FY 2004 with ten percent of the 2000 census data and ninety percent of the 1990 census data. The shares are adjusted annually over ten years until full phase in of the 2000 census data. This change was enacted to ease the impact of new census data every ten years.

The FY 2006 Budget proposed to increase the General Revenue Sharing program in FY 2006 by \$1 million over FY 2005 levels and to amend Section 45-13-1 to provide that funding for this program in FY 2006 would be set equal to the amount appropriated. The General Assembly increased funding to three percent of general revenues as had been provided by law and provided that increases in sharing of general revenues would continue to a maximum of 4.7 percent in FY 2011. In separate legislation, additional funding for general revenue sharing was provided through a dedication of new video lottery terminal (VLT) revenues.

The FY 2007 Budget proposes once again to amend Section 45-13-1 to provide that core funding for this program in FY 2007 be set equal to the amount appropriated. The amount for FY 2007 is set at the FY 2006 level with an increment for the dedicated VLT revenues.

Fiscal Year	Percent of Reference Year Revenues
FY 1998	1.0%
FY 1999	1.3%
FY 2000	1.7%
FY 2001	2.0%
FY 2002	2.4%
FY 2003	2.4%
FY 2004	2.7%
FY 2005	Funding as appropriated
FY 2006	3.0%
FY 2007	Funding as appropriated

Payment - in - Lieu of Tax Exempt Property (RIGL 45-13-51). This program (PILOT) distributes funds to municipalities based upon qualifying tax exempt property. As originally designed, the program applied to property owned by "any private nonprofit institution of higher education or any nonprofit hospital facility."

During the January 1988 Session of the General Assembly, the list of eligible facilities was expanded to include "any state owned or operated hospital, veterans' residential facility or correctional facility occupied by more than 100 residents."

During the January 1997 Session of the General Assembly, the legislation was amended to change the amount of aid due to eligible communities from twenty-five percent of the property tax amount to twenty-seven percent.

During the January 2001 Session of the General Assembly, the legislation was further amended to remove language that permitted the distribution of a prorated share of the property tax payments due to each community if the total appropriation authorized in the annual appropriations act was insufficient to fully fund the program. During the January 2002 Session of the General Assembly, the language permitting payments to be prorated when appropriations are insufficient to fully fund the property tax due municipalities was reinstated.

The FY 2006 Enacted Budget funded the PILOT program at \$27.0 million representing twenty-seven percent of what would otherwise be collected in property taxes.

The FY 2007 Budget proposes to fully fund the PILOT to compensate municipalities for twenty-seven percent of the taxes that would otherwise be collected. Additionally, it is proposed that the statute be amended to phase in over a two year period TF Green Airport in Warwick as an eligible PILOT entity. This would result in an additional distribution to the City of Warwick of \$1.1 million.

Distressed Communities Relief Program. The Distressed Community Relief program provides assistance to the Rhode Island communities that have the highest property tax burdens relative to the wealth of taxpayers (RIGL 45-13-12). During the January 1990 Session of the General Assembly, legislation was passed creating the distressed communities relief fund. It was intended to provide assistance to the Rhode Island communities with the highest property tax burdens relative to the wealth of the taxpayers. The four indices used to determine eligibility are: percent of tax levy to full value of property, per capita income, percent of personal

income to full value of property, and per capita full value of property. Any community falling into the lowest fifteen percent of at least three of the four indices is eligible for assistance.

During the January 1995 Session of the General Assembly, Section 44-13-12(d) was amended to appropriate funds directly as general revenue appropriations; this adjustment was accomplished through the conversion of most state restricted receipt accounts to general revenue appropriations. However, the amount of funding dedicated to this program is still determined by two funding sources. First, \$5.0 million from video lottery terminal receipts is dedicated to this fund, \$2.0 million of which comes from the operators of the two facilities at which these terminals are located. Second, one-third of the state's share of the real estate conveyance tax is dedicated to this fund (\$0.30 of the \$0.90 received by the state).

The FY 2006 Budget proposed to level fund the Distressed Communities Relief Program at the same funding level as enacted in FY 2005. The final appropriations act amended the statute to provide that communities falling within the lowest 20 percent of three or four indices would qualify for aid. This added two communities as eligible for funding. Additionally, in a separate Act, additional funding for distressed communities was provided for by a dedication of new video lottery terminal (VLT) revenues

The FY 2007 Budget proposes to fully fund the Distressed Communities Relief Program in compliance with the law which would result in regular appropriations of \$10.8 million. Supplemental VLT dedicated distributions would increase this amount by almost \$1.0 million and would result in an overall increase over FY 2006 of \$0.5 million.

Public Service Corporation Tax (RIGL 44-13-13). The tangible personal property of telegraph, cable, and telecommunications corporations used exclusively in conducting business for the corporation is exempt from local taxation, but is subject to taxation by the state. Tangible personal property includes lines, cables, ducts, pipes, machines and machinery and equipment. Funds collected from this tax are distributed to the municipalities on the basis of the ratio of the population of the municipality to the population of the state as a whole, as determined by the most recent census. These funds are collected and distributed by the state, but are not included in the annual appropriations act.

During the January 1985 Session of the General Assembly, Chapter 44-13 was amended to delete references made specifically to "telephone" corporations and to insert "telecommunications" in its place. The word "utility" was also replaced with "corporation" throughout the chapter.

By March 1st of each year, companies covered by this legislation are required to declare the value of its tangible personal property to the Division of Taxation. The Division of Taxation uses this data to calculate the tax due from each company. The tax calculation is based on the average assessment ratios in the state and the average property tax rate. The actual amounts collected from this tax are not known until near the start of each fiscal year. An unintended consequence of more frequent reevaluations of property and the explosive growth in property values has been that the average property tax statewide has dropped. This would mean that absent a legislative change, a decline in the tax rate applied to values reported in March would yield a loss in the tax yield of \$2.4 million. Separate legislation has been submitted that would freeze the tax rate applied at no less than the FY 2005 rate. The budget assumes that this legislation will pass before the end of March and that resulting distributions to municipalities will remain the same as in FY 2006.

Meals and Beverage Local Sales and Use Tax (RIGL 44-18-18.1)– During the January 2003 session, the General Assembly enacted a one percent gross receipts tax on retail sales of meals and beverages in or from eating and/or drinking establishments. The taxes are collected by the Division of Taxation and distributed at least quarterly to the city or town where the meals and beverages were delivered.

Motor Vehicle Excise Tax Phase-Out (RIGL 44-34.1) - During the January 1998 session, the General Assembly, under Article 28 of the FY 1999 Appropriations Act, enacted the phase out of the local excise tax on motor vehicles and trailers. Under the original legislation, motor vehicle taxes would have been phased out over a seven-year period through the application of progressively larger tax exemption amounts, beginning with a value of \$1,500 in local fiscal year 2000 and culminating in a full value exemption by local fiscal year 2006. Subsequent amendments have resulted in a lengthening of the phase out to span an eight-year period. The loss in local tax revenues, due to the application of the exemption, was to be reimbursed by the state one year in advance of the actual revenue loss by local communities. Thus, the state expended \$22.3 million in fiscal year 1999 to fund local fiscal year 2000 estimated revenue losses. For state fiscal years 2000 and 2001, the sums of \$47.3 and \$76.6 million respectively, were expended consistent with years two and three of the enacted legislation.

During the 2002 session of the General Assembly, the Motor Vehicle Phase-Out legislation was significantly modified. For state fiscal year 2002, the legislation provided that an exemption of \$4,500 would be paid to cities and towns in an advance of the actual revenue loss. Prior law had originally provided for an exemption value of \$5,000. In addition, for fiscal years 2003 and beyond, the legislation provided that the exemption will be reimbursed in the same year that the communities lose these revenues. This resulted in freezing the reimbursements for the CPI and tax roll growth components in fiscal year 2003. In addition, the legislation provided for a continuation of the \$4,500 exemption in future years, with the full phase out of the tax subject to annual review and appropriation by the General Assembly. Finally, the legislation provided for more frequent periodic payments by the state to cities, towns and fire districts.

In addition to the reimbursement on the loss of tax revenue due to the exemption, the original legislation also provided that reimbursement be made on the assumed increase in local tax rates, which were frozen to December 1996 levels. This tax rate component has been computed based upon the increase in the December CPI each year. Since the first year reimbursement was predicated upon the tax rolls as of December 1998, a two-year cumulative CPI adjustment was required. In state fiscal years 2000, 2001, and 2002, the cumulative CPI adjustment reflected increments equal to a single year. Legislation enacted as part of the FY 2004 Budget froze the CPI rate component in fiscal year 2004 and beyond. The FY 2005 Appropriations Act included an article that amended the Motor Vehicle and Trailer Excise Tax Elimination Act of 1998, by providing for state reimbursement of lost excise tax revenues to cities and towns based upon the *prior* local fiscal year. The change in reimbursement from a concurrent to a prior local fiscal year basis began in state fiscal year 2005.

During the 2006 legislative session, the exemption amount was increased to \$5,000 and reimbursement was once again provided on a current year basis. In a separate action, 78.5% of new VLT revenues were dedicated to increasing the exemption in \$500 increments until the motor vehicle tax was eliminated. The FY 2007 budget proposes that the exemption be increased to \$5,500 with \$6.0 million of the \$7.5 million cost funded from VLT revenues.

Municipal Police - Incentive Pay (RIGL 42-28.1). Section 42-28.1-1 of the Rhode Island General Laws established a Municipal Police Incentive Pay Program. The purpose of this program is to provide financial compensation to members of the state, city, town police departments, the Division of Drug Control of the Department of Health, Sheriffs and Deputy Sheriffs, members of the Rhode Island Marshals' unit, Rhode Island Capitol Police and the State Fire Marshal and Deputy Fire Marshals who have earned college credits in the field of police work. Payments are made by the state directly to the municipalities, which, in turn, make payments to the participants in the program. The department for which they work makes payments to eligible state employees.

This program was funded at 100 percent of the incentive payable to participants through FY 1991. Since FY 1992, the incentive payable to participants has been prorated at the following percentages:

<u>Fiscal Year</u>	<u>Percentage</u>
1992	64.0%
1993	47.9
1994	22.7
1995	29.3
1996	16.7
1997	19.4
1998	16.6
1999	17.9
2000	19.3
2001	20.9
2002	23.2
2003	23.3
2004	23.0
2005	23.5
2006	23.0

The FY 2007 budget proposes that this program be eliminated. In general, most police officers are directly compensated for higher educational attainment or are eligible for promotion based upon such attainment.

Municipal Firefighters - Incentive Pay (RIGL 42-28.4). Section 42-28.4-1 of the Rhode Island General Laws established a Municipal Firefighters Incentive Pay Program. The purpose of this program is to provide financial compensation to members of the municipal fire departments and fire districts, the Cumberland rescue department and emergency service technicians of the Town of Lincoln who have furthered their education at the college level. Payments are made by the state directly to the municipalities, which, in turn, make payments to the participants in the program.

This program was funded at 100 percent of the incentive payable to participants through FY 1991. Since FY 1992, the incentive payable to participants has been prorated at the following percentages:

<u>Fiscal Year</u>	<u>Percentage</u>
1992	65.0%
1993	48.8
1994	24.3
1995	32.3
1996	18.6
1997	16.7
1998	20.2
1999	22.0
2000	24.8
2001	27.8
2002	31.1
2003	30.9
2004	32.3
2005	33.1
2006	33.0

The FY 2007 budget proposes that this program be eliminated. In general, most fire fighters are directly compensated for higher educational attainment or are eligible for promotion based upon such attainment.

Toll Reimbursement - Jamestown/Newport. During the January 1985 Session of the General Assembly, section 24-12-26 of the chapter regarding the Rhode Island Turnpike and Bridge Authority was amended to include language providing toll reimbursement to Jamestown police, fire and rescue personnel who are required to pay the Newport Bridge toll in the line of duty.

State Mandates (RIGL 45-13-9). During the January 1987 Session of the General Assembly, section 45-13-9, entitled "Reimbursement to cities and towns for the cost of state mandates," was amended to provide funding for mandates in the budget of the department or agency if the cost of the mandate is a result of the rules and regulations of the department or agency. Funding for state mandates has not been provided since FY 1992.

Property Valuation Reimbursement (RIGL 44-5-11.6). The Rhode Island General Laws requires each municipality in the state to update property valuations using statistical techniques every third and sixth year after a full revaluation. Reimbursement for the first of these updates is to be reimbursed by the state at 100 percent of the costs at a rate not to exceed \$20 per parcel. Reimbursements decline to a maximum of \$16 per parcel for the second update and \$12 per parcel for the third and all future updates. Distressed communities are eligible for a maximum of eighty percent reimbursement for all updates. The legislation also establishes a schedule by which each community is required to perform a full revaluation or an update.

Summary of Formula Aid to Cities and Towns

	FY 2003 Actual	FY 2004 Actual	FY 2005 Unaudited	FY 2006 Revised	FY 2007 Recommend
Municipal Police Incentive Pay	732,050	732,050	732,050	732,050	-
Municipal Fire Incentive Pay	366,025	366,025	366,025	366,025	-
Public Service Corporation Tax	18,020,830	16,325,260	14,611,755	12,194,610	12,194,610
Meals and Beverage Tax	-	13,509,178	17,800,720	17,680,265	18,568,791
Payment In Lieu of Taxes (PILOT)	18,151,500	21,716,117	22,716,117	26,975,194	28,966,967
Total Miscellaneous Aid	\$37,270,405	\$52,648,630	\$56,226,667	\$57,948,144	\$59,730,368
General Revenue Sharing	48,287,932	51,438,532	52,438,532	64,974,003	65,186,503
Total State Aid to Cities and Towns	\$48,287,932	\$51,438,532	\$52,438,532	\$64,974,003	\$65,186,503
Dist. Comm. - General Appropriation	7,466,667	7,533,333	9,533,333	11,216,667	11,741,667
Total Distressed Communities Aid	\$7,466,667	\$7,533,333	\$9,533,333	\$11,216,667	\$11,741,667
Motor Vehicle Tax Phase-out Program ¹	100,206,571	104,987,142	104,987,142	117,925,446	129,104,939
Total Motor Vehicle Tax Phase-out Prog.	\$100,206,571	\$104,987,142	\$104,987,142	\$117,925,446	\$129,104,939
Subtotal Forumla Aid - All Sources	\$193,231,575	\$216,607,637	\$223,185,674	\$252,064,260	\$265,763,477
Percent Change from prior year	3.52%	12.10%	3.04%	12.94%	5.43%
Resource Sharing & Library Aid ²	6,632,744	7,561,987	8,069,124	8,441,076	8,712,871
Library Construction Aid	2,161,500	2,128,601	2,491,654	2,651,643	2,705,348
Total Library Aid	\$8,794,244	\$9,690,588	\$10,560,778	\$11,092,719	\$11,418,219
Property Revaluation Program	1,322,166	2,484,835	648,368	1,212,288	1,500,000
Total Other Aid	\$1,322,166	\$2,484,835	\$648,368	\$1,212,288	\$1,500,000
Total Aid	\$203,347,985	\$228,783,060	\$234,394,820	\$264,369,267	\$278,681,696
Percent Change from prior year	3.74%	12.51%	2.45%	12.79%	5.41%

¹ Amounts for the Motor Vehicle Excise Tax represent final payments due each community based upon the exemption amounts in effect for the given fiscal year. Actual cash payments may have occurred over multiple fiscal years.

² Resource Sharing and Library Aid for state institutions is included in these totals.

Fiscal Year 2003 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	Public Service Corporation Tax	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2003 Total State Aid
Barrington	271,167	63,524	-	289,123	270,988	2,132,408	3,027,210
Bristol	788,525	432,996	-	386,247	75,665	1,066,390	2,749,823
Burrillville	641,803	70,742	-	271,537	60,946	1,864,694	2,909,722
Central Falls	1,264,206	18,416	183,012	325,376	63,470	1,093,393	2,947,873
Charlestown	313,286	-	-	135,098	39,288	354,624	842,296
Coventry	904,192	-	-	578,760	132,799	2,025,721	3,641,472
Cranston	2,898,349	2,275,093	-	1,362,651	464,044	9,218,514	16,218,651
Cumberland	1,219,559	503	-	547,336	180,986	1,938,303	3,886,687
East Greenwich	164,680	4,222	-	222,579	75,049	1,012,572	1,479,102
East Providence	2,153,817	55,581	-	836,957	412,886	5,912,571	9,371,812
Exeter	107,586	-	-	103,915	8,495	674,106	894,102
Foster	209,098	242	-	73,471	37,500	546,246	866,557
Glocester	374,502	-	-	171,008	57,839	818,359	1,421,708
Hopkinton	271,211	-	-	134,703	40,759	562,864	1,009,537
Jamestown	175,602	5	-	96,643	56,930	305,815	634,995
Johnston	1,883,151	-	-	484,678	96,043	3,691,284	6,155,156
Lincoln	624,460	-	-	359,241	145,437	2,074,788	3,203,926
Little Compton	92,609	-	-	61,764	22,962	203,840	381,175
Middletown	711,419	-	-	297,975	116,629	789,207	1,915,230
Narragansett	637,219	-	-	281,249	85,273	917,679	1,921,420
Newport	1,646,310	638,104	-	455,111	255,226	1,409,508	4,404,259
New Shoreham	67,458	-	-	17,362	49,149	61,778	195,747
North Kingstown	784,034	5,908	-	452,550	211,939	2,180,209	3,634,640
North Providence	1,711,536	73,072	695,002	557,152	149,374	3,624,952	6,811,088
North Smithfield	540,909	40,331	-	182,526	48,674	1,439,569	2,252,009
Pawtucket	3,881,609	253,247	1,200,787	1,254,164	301,692	7,573,162	14,464,661
Portsmouth	552,310	-	-	294,795	87,802	1,126,290	2,061,197
Providence	11,595,992	12,688,288	4,089,324	2,984,531	694,985	18,063,629	50,116,749
Richmond	157,746	408	-	124,148	24,792	546,406	853,500
Scituate	305,408	-	-	177,472	64,244	1,100,355	1,647,479
Smithfield	1,295,242	389,575	-	354,342	172,606	2,494,437	4,706,202
South Kingstown	885,686	106,574	-	479,968	141,977	1,489,266	3,103,471
Tiverton	484,765	-	-	262,323	58,697	962,480	1,768,265
Warren	414,108	-	-	195,281	43,788	800,409	1,453,586
Warwick	3,647,836	744,159	-	1,475,058	528,066	10,129,733	16,524,852
Westerly	538,736	131,305	-	394,790	87,384	2,102,452	3,254,667
West Greenwich	141,115	-	-	87,412	21,264	369,045	618,836
West Warwick	1,158,461	-	656,813	508,504	157,481	2,320,264	4,801,523
Woonsocket	2,772,230	159,207	641,728	743,030	175,257	3,909,078	8,400,530
Subtotal	\$48,287,932	\$18,151,500	\$7,466,666	\$18,020,830	\$5,718,385	\$98,906,401	\$196,551,713
Statewide Reference Library Resource Grant (Providence)					880,110	-	880,110
Library Construction Reimbursement					2,161,500	-	2,161,500
Motor Vehicle Excise Tax Reimbursement - Fire Districts					-	1,875,837	1,875,837
Motor Vehicle Excise Tax Reimbursement - FY 2002 Net Payable Reconciliation					-	(575,667)	(575,667)
Total	\$48,287,932	\$18,151,500	\$7,466,666	\$18,020,830	\$8,759,995	\$100,206,571	\$200,893,493

Fiscal Year 2004 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	Public Service Corporation Tax	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2004 Total State Aid
Barrington	231,191	71,029	-	261,919	276,378	2,197,524	3,038,041
Bristol	805,463	421,492	-	349,905	75,665	1,118,422	2,770,947
Burrillville	610,930	76,977	-	245,988	61,881	2,053,956	3,049,732
Central Falls	1,346,691	20,649	182,474	294,762	63,470	1,208,411	3,116,457
Charlestown	346,452	-	-	122,387	39,137	374,379	882,355
Coventry	925,367	-	-	524,305	138,258	2,147,241	3,735,171
Cranston	3,293,868	2,611,611	-	1,234,440	479,014	9,485,112	17,104,045
Cumberland	1,067,249	81	-	495,838	183,570	2,048,308	3,795,046
East Greenwich	170,999	4,592	-	201,637	77,310	1,041,805	1,496,343
East Providence	2,200,038	63,139	-	758,208	430,627	4,994,050	8,446,062
Exeter	86,974	-	-	94,138	8,495	718,053	907,660
Foster	231,403	266	-	66,558	37,500	578,603	914,330
Glocester	442,690	-	-	154,918	57,839	868,250	1,523,697
Hopkinton	190,356	-	-	122,028	40,759	597,217	950,360
Jamestown	181,533	5	-	87,550	56,930	317,721	643,739
Johnston	2,006,020	-	-	439,075	117,925	4,114,297	6,677,317
Lincoln	577,113	-	-	325,440	151,390	2,195,453	3,249,396
Little Compton	89,499	-	-	55,953	22,962	214,723	383,137
Middletown	826,214	-	-	269,939	118,971	881,663	2,096,787
Narragansett	681,586	-	-	254,787	91,730	957,099	1,985,202
Newport	1,778,150	450,882	-	412,290	291,129	1,455,950	4,388,401
New Shoreham	71,860	-	-	15,728	67,411	65,343	220,342
North Kingstown	821,676	8,265	-	409,969	214,401	2,179,062	3,633,373
North Providence	1,897,449	385,144	-	504,730	155,319	3,941,255	6,883,897
North Smithfield	618,281	43,886	-	165,352	50,928	1,501,993	2,380,440
Pawtucket	4,490,377	311,780	1,324,945	1,136,160	309,373	8,006,234	15,578,869
Portsmouth	553,213	10,206	-	267,058	92,657	1,180,727	2,103,861
Providence	12,352,585	15,427,635	4,624,560	2,703,718	1,392,690	18,908,768	55,409,956
Richmond	162,490	426	-	112,467	24,792	578,451	878,626
Scituate	320,753	-	-	160,774	72,783	1,155,251	1,709,561
Smithfield	1,268,058	514,316	-	321,002	192,547	2,641,772	4,937,695
South Kingstown	928,824	123,224	-	434,808	148,885	1,578,608	3,214,349
Tiverton	523,660	-	-	237,641	59,477	1,022,440	1,843,218
Warren	416,220	-	-	176,907	43,788	854,507	1,491,422
Warwick	4,034,001	845,581	-	1,336,271	553,600	10,654,567	17,424,020
Westerly	447,184	149,941	-	357,645	98,381	2,238,068	3,291,219
West Greenwich	144,375	-	-	79,188	21,264	395,962	640,789
West Warwick	1,246,456	-	730,173	460,659	162,328	2,432,650	5,032,266
Woonsocket	3,051,285	174,990	671,181	673,119	190,936	4,207,412	8,968,923
Subtotal	\$51,438,532	\$21,716,117	\$7,533,333	\$16,325,261	\$6,672,500	\$103,111,305	\$206,797,048
Statewide Reference Library Resource Grant (Providence)					880,110		880,110
Library Construction Reimbursement					2,128,601		2,128,601
Motor Vehicle Excise Tax Reimbursement - Fire Districts						1,875,837	1,875,837
Total	\$51,438,532	\$21,716,117	\$7,533,333	\$16,325,261	\$9,681,211	\$104,987,142	\$211,681,596

Fiscal Year 2005 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2005 Total Appropriated State Aid
Barrington	234,285	47,886	-	295,313	2,197,524	2,775,008
Bristol	825,753	420,601	-	69,440	1,118,422	2,434,216
Burrillville	606,174	78,522	-	65,836	2,053,956	2,804,487
Central Falls	1,372,871	20,106	225,249	62,193	1,208,411	2,888,830
Charlestown	372,229	-	-	42,213	374,379	788,821
Coventry	917,864	-	-	147,975	2,147,241	3,213,080
Cranston	3,199,670	3,371,038	-	488,229	9,485,112	16,544,048
Cumberland	1,168,720	81	-	212,069	2,048,308	3,429,178
East Greenwich	189,331	7,242	-	85,191	1,041,805	1,323,569
East Providence	2,276,071	64,838	-	460,448	4,994,050	7,795,407
Exeter	85,686	-	-	8,495	718,053	812,235
Foster	252,920	255	-	34,756	578,603	866,534
Glocester	476,816	-	-	58,732	868,250	1,403,798
Hopkinton	184,276	-	-	39,184	597,217	820,676
Jamestown	162,060	5	-	62,279	317,721	542,066
Johnston	2,045,018	-	-	121,700	4,114,297	6,281,015
Lincoln	811,406	-	-	158,808	2,195,453	3,165,667
Little Compton	89,057	-	-	23,524	214,723	327,303
Middletown	842,795	-	-	129,464	881,663	1,853,922
Narragansett	703,202	-	-	99,601	957,099	1,759,902
Newport	1,728,739	511,083	-	325,323	1,455,950	4,021,095
New Shoreham	73,257	-	-	76,634	65,343	215,234
North Kingstown	806,625	8,301	-	224,789	2,179,062	3,218,776
North Providence	1,949,426	395,607	-	162,852	3,941,255	6,449,140
North Smithfield	698,892	44,215	-	51,913	1,501,993	2,297,012
Pawtucket	4,579,132	278,920	1,619,050	342,428	8,006,234	14,825,764
Portsmouth	547,679	10,147	-	102,070	1,180,727	1,840,623
Providence	12,592,728	15,573,005	5,936,091	1,383,493	18,908,768	54,394,084
Richmond	145,825	433	-	22,069	578,451	746,778
Scituate	372,523	-	-	79,690	1,155,251	1,607,464
Smithfield	1,346,867	544,555	-	212,038	2,641,772	4,745,233
South Kingstown	820,517	125,597	-	175,691	1,578,608	2,700,413
Tiverton	471,479	-	-	68,270	1,022,440	1,562,189
Warren	385,456	-	-	40,858	854,507	1,280,821
Warwick	4,050,212	855,013	-	590,589	10,654,567	16,150,381
Westerly	576,458	182,085	-	248,761	2,238,068	3,245,372
West Greenwich	161,935	-	-	20,301	395,962	578,198
West Warwick	1,278,641	-	908,956	178,696	2,432,650	4,798,943
Woonsocket	3,035,938	176,582	843,985	198,538	4,207,412	8,462,454
Subtotal	\$52,438,532	\$22,716,117	\$9,533,333	\$7,170,456	\$103,111,305	\$194,969,739
Statewide Reference Library Resource Grant (Providence)				880,110		880,110
Library Construction Reimbursement				2,491,654		2,491,654
Motor Vehicle Excise Tax Reimbursement - Fire Districts					1,875,837	1,875,837
Total	\$52,438,532	\$22,716,117	\$9,533,333	\$10,542,220	\$104,987,142	\$200,217,340

Fiscal Year 2005 Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	FY 2005 Total Shared Taxes State Aid	FY 2005 Total Shared & Appropriated Aid
Barrington	234,428	106,413	340,841	3,115,849
Bristol	313,179	277,900	591,079	3,025,295
Burrillville	220,169	157,725	377,894	3,182,382
Central Falls	263,824	103,390	367,214	3,256,044
Charlestown	109,541	110,818	220,359	1,009,180
Coventry	469,274	302,861	772,135	3,985,215
Cranston	1,104,873	1,194,919	2,299,792	18,843,840
Cumberland	443,795	309,860	753,655	4,182,834
East Greenwich	180,473	379,684	560,157	1,883,727
East Providence	678,627	734,984	1,413,611	9,209,019
Exeter	84,257	49,573	133,830	946,064
Foster	59,572	16,658	76,230	942,764
Glocester	138,658	63,783	202,441	1,606,239
Hopkinton	109,220	25,486	134,706	955,383
Jamestown	78,361	66,561	144,922	686,988
Johnston	392,990	367,479	760,469	7,041,484
Lincoln	291,282	386,929	678,211	3,843,878
Little Compton	50,080	31,459	81,539	408,843
Middletown	241,606	458,586	700,192	2,554,114
Narragansett	228,044	409,340	637,384	2,397,286
Newport	369,016	1,508,947	1,877,963	5,899,058
New Shoreham	14,078	191,142	205,220	420,454
North Kingstown	366,939	373,774	740,713	3,959,489
North Providence	451,753	385,552	837,305	7,286,445
North Smithfield	147,997	173,443	321,440	2,618,452
Pawtucket	1,016,908	610,637	1,627,545	16,453,308
Portsmouth	239,027	161,268	400,295	2,240,918
Providence	2,419,935	3,740,096	6,160,031	60,554,115
Richmond	100,662	123,656	224,318	971,095
Scituate	143,899	34,556	178,455	1,785,920
Smithfield	287,310	443,428	730,738	5,475,971
South Kingstown	389,170	481,000	870,170	3,570,583
Tiverton	212,698	119,891	332,589	1,894,778
Warren	158,339	236,290	394,629	1,675,450
Warwick	1,196,015	2,170,615	3,366,630	19,517,011
Westerly	320,106	606,892	926,998	4,172,370
West Greenwich	70,876	81,072	151,948	730,146
West Warwick	412,308	377,803	790,111	5,589,054
Woonsocket	602,468	426,250	1,028,718	9,491,172
Subtotal	\$14,611,755	\$17,800,720	\$32,412,475	\$227,382,214
Statewide Reference Library Resource Grant (Providence)				880,110
Library Construction Reimbursement				2,491,654
Motor Vehicle Excise Tax Reimbursement - Fire Districts				1,875,837
Total	\$14,611,755	\$17,800,720	\$32,412,475	\$232,629,815

Fiscal Year 2006 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2006 Total Appropriated State Aid
Barrington	259,555	51,885	-	306,140	2,519,485	3,137,065
Bristol	1,039,674	541,562	-	65,294	1,240,864	2,887,394
Burrillville	768,637	76,004	-	74,370	2,395,501	3,314,512
Central Falls	1,693,857	21,449	331,391	63,103	1,347,205	3,457,005
Charlestown	413,891	-	-	44,392	432,542	890,825
Coventry	909,356	-	-	153,472	2,517,677	3,580,505
Cranston	5,644,004	3,590,332	-	528,702	10,692,387	20,455,425
Cumberland	1,287,982	88	-	227,806	2,354,321	3,870,197
East Greenwich	215,603	7,772	-	96,606	1,202,496	1,522,477
East Providence	2,801,112	57,965	-	462,377	5,473,931	8,795,385
Exeter	123,532	-	-	8,495	846,775	978,802
Foster	274,156	259	-	32,927	709,101	1,016,443
Glocester	573,692	-	-	61,275	1,013,902	1,648,869
Hopkinton	217,544	-	-	36,259	707,122	960,925
Jamestown	160,979	9	-	66,151	372,550	599,689
Johnston	2,543,347	-	-	113,932	4,500,637	7,157,916
Lincoln	743,316	-	-	178,322	2,565,312	3,486,950
Little Compton	108,622	-	-	24,385	257,450	390,457
Middletown	1,028,122	-	-	142,579	1,020,862	2,191,563
Narragansett	862,695	-	-	105,684	1,088,662	2,057,041
Newport	1,959,634	632,176	-	338,300	1,714,712	4,644,822
New Shoreham	91,107	-	-	81,499	77,757	250,363
North Kingstown	1,014,310	6,631	-	231,438	2,478,693	3,731,072
North Providence	2,316,767	443,308	636,890	166,022	4,376,518	7,939,505
North Smithfield	641,962	37,392	-	60,484	1,726,578	2,466,416
Pawtucket	5,573,666	314,165	1,799,377	370,173	8,935,002	16,992,383
Portsmouth	680,619	-	-	105,447	1,341,978	2,128,044
Providence	15,536,990	19,609,384	6,392,480	1,321,747	20,834,614	63,695,215
Richmond	170,980	468	-	22,998	684,237	878,683
Scituate	440,227	-	-	85,358	1,332,368	1,857,953
Smithfield	1,807,118	415,240	-	229,928	3,089,250	5,541,536
South Kingstown	1,041,896	111,380	-	186,603	1,831,926	3,171,805
Tiverton	604,647	-	-	83,613	1,214,359	1,902,619
Warren	482,593	-	-	40,908	882,509	1,406,010
Warwick	4,911,046	758,470	-	620,165	11,852,255	18,141,936
Westerly	631,967	125,744	-	286,605	2,572,359	3,616,675
West Greenwich	187,739	-	-	20,216	476,870	684,825
West Warwick	1,484,272	-	1,080,481	189,057	2,667,910	5,421,720
Woonsocket	3,726,785	173,509	976,049	210,568	4,700,931	9,787,842
Subtotal	64,974,003	26,975,194	\$11,216,667	\$7,443,400	\$116,049,609	226,658,870
Statewide Reference Library Resource Grant (Providence)				924,116		924,116
Library Construction Reimbursement				2,651,643		2,651,643
Motor Vehicle Excise Tax Reimbursement - Fire Districts					1,875,837	1,875,837
Total	\$64,974,003	\$26,975,195	\$11,216,667	\$11,019,159	\$117,925,446	\$232,110,466

Fiscal Year 2006 Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	FY 2006 Total Shared Taxes State Aid	FY 2006 Total Shared & Appropriated Aid
Barrington	195,648	97,145	292,793	3,429,858
Bristol	261,371	271,248	532,619	3,420,013
Burrillville	183,748	148,084	331,832	3,646,344
Central Falls	220,181	100,222	320,403	3,777,408
Charlestown	91,420	110,707	202,127	1,092,952
Coventry	391,644	295,849	687,493	4,267,998
Cranston	922,100	1,205,677	2,127,777	22,583,202
Cumberland	370,380	308,146	678,526	4,548,723
East Greenwich	150,618	368,282	518,900	2,041,377
East Providence	566,365	731,620	1,297,985	10,093,370
Exeter	70,319	48,243	118,562	1,097,364
Foster	49,717	18,941	68,658	1,085,101
Glocester	115,721	56,819	172,540	1,821,409
Hopkinton	91,152	28,718	119,870	1,080,795
Jamestown	65,398	102,502	167,900	767,589
Johnston	327,980	391,192	719,172	7,877,088
Lincoln	243,097	410,702	653,799	4,140,749
Little Compton	41,796	31,806	73,602	464,059
Middletown	201,638	464,551	666,189	2,857,752
Narragansett	190,320	383,698	574,018	2,631,059
Newport	307,972	1,440,879	1,748,851	6,393,673
New Shoreham	11,749	212,024	223,773	474,136
North Kingstown	306,238	358,950	665,188	4,396,260
North Providence	377,022	386,608	763,630	8,703,135
North Smithfield	123,515	173,025	296,540	2,762,956
Pawtucket	848,686	605,198	1,453,884	18,446,267
Portsmouth	199,486	156,920	356,406	2,484,450
Providence	2,019,618	3,665,836	5,685,454	69,380,669
Richmond	84,010	103,776	187,786	1,066,469
Scituate	120,095	35,269	155,364	2,013,317
Smithfield	239,782	445,788	685,570	6,227,106
South Kingstown	324,792	464,004	788,796	3,960,601
Tiverton	177,512	131,694	309,206	2,211,825
Warren	132,146	226,961	359,107	1,765,117
Warwick	998,165	2,166,423	3,164,588	21,306,524
Westerly	267,153	602,853	870,006	4,486,681
West Greenwich	59,151	74,666	133,817	818,642
West Warwick	344,102	368,812	712,914	6,134,634
Woonsocket	502,805	486,426	989,231	10,777,073
Subtotal	\$12,194,610	\$17,680,265	\$29,874,874	\$256,533,744
Statewide Reference Library Resource Grant (Providence)				924,116
Library Construction Reimbursement				2,651,643
Motor Vehicle Excise Tax Reimbursement - Fire Districts				1,875,837
Total	\$12,194,610	\$17,680,265	\$29,874,874	\$261,985,340

Fiscal Year 2006 VLT Supplement Breakout

City or Town	General Revenue Sharing	VLT Supplement	Total	Distressed Communities Aid	VLT Supplement	Total
Barrington	257,495	2,060	259,555	-	-	-
Bristol	1,031,421	8,253	1,039,674	-	-	-
Burrillville	762,535	6,102	768,637	-	-	-
Central Falls	1,693,857	-	1,693,857	239,724	91,667	331,391
Charlestown	410,605	3,286	413,891	-	-	-
Coventry	902,137	7,219	909,356	-	-	-
Cranston	5,599,200	44,804	5,644,004	-	-	-
Cumberland	1,277,757	10,225	1,287,982	-	-	-
East Greenwich	213,891	1,712	215,603	-	-	-
East Providence	2,778,876	22,236	2,801,112	-	-	-
Exeter	122,551	981	123,532	-	-	-
Foster	271,980	2,176	274,156	-	-	-
Glocester	569,138	4,554	573,692	-	-	-
Hopkinton	215,817	1,727	217,544	-	-	-
Jamestown	159,701	1,278	160,979	-	-	-
Johnston	2,523,157	20,190	2,543,347	-	-	-
Lincoln	737,415	5,901	743,316	-	-	-
Little Compton	107,760	862	108,622	-	-	-
Middletown	1,019,960	8,162	1,028,122	-	-	-
Narragansett	855,847	6,848	862,695	-	-	-
Newport	1,944,078	15,556	1,959,634	-	-	-
New Shoreham	90,384	723	91,107	-	-	-
North Kingstown	1,006,258	8,052	1,014,310	-	-	-
North Providence	2,316,767	-	2,316,767	545,223	91,667	636,890
North Smithfield	636,866	5,096	641,962	-	-	-
Pawtucket	5,573,666	-	5,573,666	1,707,710	91,667	1,799,377
Portsmouth	675,216	5,403	680,619	-	-	-
Providence	15,536,990	-	15,536,990	6,300,813	91,667	6,392,480
Richmond	169,623	1,357	170,980	-	-	-
Scituate	436,732	3,495	440,227	-	-	-
Smithfield	1,792,772	14,346	1,807,118	-	-	-
South Kingstown	1,033,625	8,271	1,041,896	-	-	-
Tiverton	599,847	4,800	604,647	-	-	-
Warren	478,762	3,831	482,593	-	-	-
Warwick	4,872,060	38,986	4,911,046	-	-	-
Westerly	626,950	5,017	631,967	-	-	-
West Greenwich	186,249	1,490	187,739	-	-	-
West Warwick	1,484,272	-	1,484,272	988,814	91,667	1,080,481
Woonsocket	3,726,785	-	3,726,785	884,382	91,667	976,049
Total	\$64,699,003	\$275,000	\$64,974,003	\$10,666,667	\$550,000	\$11,216,667

Fiscal Year 2007 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2007 Total Appropriated State Aid
Barrington	243,898	53,961	-	314,971	2,783,792	3,396,622
Bristol	993,997	561,841	-	57,181	1,362,689	2,975,708
Burrillville	706,306	79,032	349,213	79,855	2,626,350	3,840,756
Central Falls	1,693,857	-	351,165	66,132	1,457,745	3,568,899
Charlestown	408,708	-	-	45,568	474,899	929,175
Coventry	1,016,876	-	-	167,177	2,767,853	3,951,906
Cranston	5,440,453	3,590,332	-	548,485	11,739,096	21,318,366
Cumberland	1,563,548	140	-	240,606	2,585,205	4,389,499
East Greenwich	177,197	7,954	-	102,399	1,326,742	1,614,292
East Providence	2,687,346	61,740	-	499,380	6,008,944	9,257,410
Exeter	90,741	-	-	28,066	930,174	1,048,981
Foster	310,987	271	-	29,271	778,192	1,118,721
Glocester	568,668	-	-	64,709	1,113,409	1,746,786
Hopkinton	226,378	-	-	31,238	774,946	1,032,562
Jamestown	146,926	-	-	70,379	410,295	627,600
Johnston	2,559,832	-	-	121,452	4,935,805	7,617,089
Lincoln	961,399	-	-	172,879	2,824,409	3,958,687
Little Compton	106,061	-	-	25,425	283,298	414,784
Middletown	981,499	-	-	149,936	1,119,719	2,251,154
Narragansett	884,151	-	-	111,496	1,199,506	2,195,153
Newport	1,850,754	659,506	-	346,433	1,882,306	4,738,999
New Shoreham	91,698	-	-	88,246	85,105	265,049
North Kingstown	891,999	6,848	-	234,608	2,728,664	3,862,119
North Providence	2,404,365	534,103	1,270,669	174,550	4,812,123	9,195,810
North Smithfield	657,724	38,887	-	60,768	1,897,968	2,655,347
Pawtucket	5,476,767	330,969	1,777,834	395,734	9,733,796	17,715,100
Portsmouth	656,137	-	-	109,462	1,462,521	2,228,120
Providence	15,536,990	20,160,248	5,951,391	1,285,939	22,747,703	65,682,271
Richmond	148,648	628	-	22,769	748,866	920,911
Scituate	453,690	-	-	93,610	1,463,829	2,011,129
Smithfield	1,871,460	438,387	-	240,145	3,400,560	5,950,552
South Kingstown	1,018,036	121,356	-	194,843	2,016,569	3,350,804
Tiverton	647,665	-	-	87,145	1,331,169	2,065,979
Warren	503,262	-	-	46,087	968,953	1,518,302
Warwick	4,883,625	2,014,729	-	666,767	13,027,993	20,593,114
Westerly	759,362	132,526	-	287,135	2,825,446	4,004,469
West Greenwich	223,784	-	-	196,189	524,739	944,712
West Warwick	1,473,614	-	1,079,562	21,394	2,928,706	5,503,276
Woonsocket	3,868,095	173,509	961,835	219,987	5,139,020	10,362,446
Subtotal	\$65,186,503	\$28,966,967	\$11,741,667	\$7,698,411	\$127,229,102	\$240,822,654
Statewide Reference Library Resource Grant (Providence)				970,322		970,322
Library Construction Reimbursement				2,705,348		2,705,348
Motor Vehicle Excise Tax Reimbursement - Fire Districts					1,875,837	1,875,837
Total	\$65,186,503	\$28,966,967	\$11,741,667	\$11,374,081	\$129,104,939	\$246,374,161

Fiscal Year 2007 Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	FY 2007 Total Shared Taxes State Aid	FY 2007 Total Shared & Appropriated Aid
Barrington	195,648	105,637	301,285	3,697,907
Bristol	261,371	274,633	536,004	3,511,712
Burrillville	183,748	156,989	340,737	4,181,493
Central Falls	220,181	113,474	333,655	3,902,554
Charlestown	91,420	111,379	202,799	1,131,974
Coventry	391,644	315,339	706,983	4,658,889
Cranston	922,100	1,284,439	2,206,539	23,524,905
Cumberland	370,380	326,472	696,852	5,086,351
East Greenwich	150,618	377,465	528,083	2,142,375
East Providence	566,365	789,309	1,355,674	10,613,084
Exeter	70,319	48,806	119,125	1,168,106
Foster	49,717	19,349	69,066	1,187,787
Glocester	115,721	60,781	176,502	1,923,288
Hopkinton	91,152	27,158	118,310	1,150,872
Jamestown	65,398	91,209	156,607	784,207
Johnston	327,980	401,472	729,452	8,346,541
Lincoln	243,097	416,001	659,098	4,617,785
Little Compton	41,796	29,518	71,314	486,098
Middletown	201,638	495,171	696,809	2,947,963
Narragansett	190,320	396,317	586,637	2,781,790
Newport	307,972	1,483,439	1,791,411	6,530,410
New Shoreham	11,749	173,696	185,445	450,494
North Kingstown	306,238	367,946	674,184	4,536,303
North Providence	377,022	409,055	786,077	9,981,887
North Smithfield	123,515	178,408	301,923	2,957,270
Pawtucket	848,686	644,647	1,493,333	19,208,433
Portsmouth	199,486	166,318	365,804	2,593,924
Providence	2,019,618	3,909,455	5,929,073	71,611,344
Richmond	84,010	123,387	207,397	1,128,308
Scituate	120,095	37,065	157,160	2,168,289
Smithfield	239,782	473,137	712,919	6,663,471
South Kingstown	324,792	478,915	803,707	4,154,511
Tiverton	177,512	111,686	289,198	2,355,177
Warren	132,146	248,157	380,303	1,898,605
Warwick	998,165	2,334,495	3,332,660	23,925,774
Westerly	267,153	613,081	880,234	4,884,703
West Greenwich	59,151	81,587	140,738	1,085,450
West Warwick	344,102	398,058	742,160	6,245,436
Woonsocket	502,805	495,342	998,147	11,360,593
Subtotal	\$12,194,610	\$18,568,791	\$30,763,404	\$271,586,058
Statewide Reference Library Resource Grant (Providence)				970,322
Library Construction Reimbursement				2,705,348
Motor Vehicle Excise Tax Reimbursement - Fire Districts				1,875,837
Total				\$277,137,565

Fiscal Year 2007 VLT Supplement Breakout

City or Town	General Revenue Sharing	VLT Supplement	Total	Distressed Communities Aid	VLT Supplement	Total
Barrington	240,404	3,494	243,898	-	-	-
Bristol	979,756	14,241	993,997	-	-	-
Burrillville	706,306	-	706,306	209,927	139,286	349,213
Central Falls	1,693,857	-	1,693,857	211,879	139,286	351,165
Charlestown	402,852	5,856	408,708	-	-	-
Coventry	1,002,307	14,569	1,016,876	-	-	-
Cranston	5,362,507	77,946	5,440,453	-	-	-
Cumberland	1,541,147	22,401	1,563,548	-	-	-
East Greenwich	174,658	2,539	177,197	-	-	-
East Providence	2,648,844	38,502	2,687,346	-	-	-
Exeter	89,441	1,300	90,741	-	-	-
Foster	306,531	4,456	310,987	-	-	-
Glocester	560,521	8,147	568,668	-	-	-
Hopkinton	223,135	3,243	226,378	-	-	-
Jamestown	144,821	2,105	146,926	-	-	-
Johnston	2,523,157	36,675	2,559,832	-	-	-
Lincoln	947,625	13,774	961,399	-	-	-
Little Compton	104,541	1,520	106,061	-	-	-
Middletown	967,437	14,062	981,499	-	-	-
Narragansett	871,484	12,667	884,151	-	-	-
Newport	1,824,238	26,516	1,850,754	-	-	-
New Shoreham	90,384	1,314	91,698	-	-	-
North Kingstown	879,219	12,780	891,999	-	-	-
North Providence	2,404,365	-	2,404,365	1,131,383	139,286	1,270,669
North Smithfield	648,301	9,423	657,724	-	-	-
Pawtucket	5,476,767	-	5,476,767	1,638,548	139,286	1,777,834
Portsmouth	646,736	9,401	656,137	-	-	-
Providence	15,536,990	-	15,536,990	5,812,105	139,286	5,951,391
Richmond	146,518	2,130	148,648	-	-	-
Scituate	447,190	6,500	453,690	-	-	-
Smithfield	1,844,647	26,813	1,871,460	-	-	-
South Kingstown	1,003,451	14,585	1,018,036	-	-	-
Tiverton	638,386	9,279	647,665	-	-	-
Warren	496,052	7,210	503,262	-	-	-
Warwick	4,813,657	69,968	4,883,625	-	-	-
Westerly	748,483	10,879	759,362	-	-	-
West Greenwich	220,578	3,206	223,784	-	-	-
West Warwick	1,473,614	-	1,473,614	940,276	139,286	1,079,562
Woonsocket	3,868,095	-	3,868,095	822,549	139,286	961,835
Total	\$64,699,003	\$487,500	\$65,186,503	\$10,766,667	\$975,000	11,741,668

Changes in Formula Aid - FY 2007 vs. FY 2006

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement	Total Appropriated Difference
Barrington	(15,657)	2,076	-	8,831	264,307	259,557
Bristol	(45,677)	20,279	-	(8,114)	121,825	88,314
Burrillville	(62,331)	3,028	349,213	5,485	230,849	526,244
Central Falls	-	(21,449)	19,774	3,029	110,540	111,894
Charlestown	(5,183)	-	-	1,176	42,357	38,350
Coventry	107,520	-	-	13,705	250,176	371,401
Cranston	(203,551)	-	-	19,783	1,046,709	862,941
Cumberland	275,566	52	-	12,800	230,884	519,302
East Greenwich	(38,406)	182	-	5,793	124,246	91,815
East Providence	(113,766)	3,775	-	37,003	535,013	462,024
Exeter	(32,791)	-	-	19,571	83,399	70,179
Foster	36,831	12	-	(3,656)	69,091	102,278
Glocester	(5,024)	-	-	3,434	99,507	97,917
Hopkinton	8,834	-	-	(5,021)	67,824	71,637
Jamestown	(14,053)	(9)	-	4,228	37,745	27,911
Johnston	16,485	-	-	7,520	435,168	459,173
Lincoln	218,083	-	-	(5,443)	259,097	471,737
Little Compton	(2,561)	-	-	1,040	25,848	24,327
Middletown	(46,623)	-	-	7,357	98,857	59,591
Narragansett	21,456	-	-	5,812	110,844	138,112
Newport	(108,880)	27,330	-	8,133	167,594	94,177
New Shoreham	591	-	-	6,747	7,348	14,686
North Kingstown	(122,311)	217	-	3,170	249,971	131,046
North Providence	87,598	90,795	633,779	8,528	435,605	1,256,305
North Smithfield	15,762	1,495	-	284	171,390	188,931
Pawtucket	(96,899)	16,804	(21,543)	25,561	798,794	722,716
Portsmouth	(24,482)	-	-	4,015	120,543	100,076
Providence	-	550,864	(441,089)	(35,808)	1,913,089	1,987,057
Richmond	(22,332)	160	-	(229)	64,629	42,229
Scituate	13,463	-	-	8,252	131,461	153,176
Smithfield	64,342	23,147	-	10,217	311,310	409,015
South Kingstown	(23,860)	9,976	-	8,240	184,643	178,999
Tiverton	43,018	-	-	3,532	116,810	163,360
Warren	20,669	-	-	5,179	86,444	112,292
Warwick	(27,421)	1,256,259	-	46,602	1,175,738	2,451,178
Westerly	127,395	6,782	-	530	253,087	387,794
West Greenwich	36,045	-	-	175,973	47,869	259,887
West Warwick	(10,658)	-	(919)	(167,663)	260,796	81,556
Woonsocket	141,310	-	(14,214)	9,419	438,089	574,604
Subtotal	212,500	\$1,991,774	\$525,000	\$255,011	\$11,179,493	\$14,163,785
Statewide Reference Library Resource Grant (Providence)				46,206	-	46,206
Library Construction Reimbursement				53,705	-	53,705
Motor Vehicle Excise Tax Reimbursement - Fire Districts				-	-	-
Total	\$212,500	\$1,991,774	\$525,000	\$354,922	\$11,179,493	\$14,263,696

Changes in Pass Through and All Aid - FY 2007 vs. FY 2006

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	Total Pass Through State Aid Difference	Total All State Aid Difference
Barrington	-	8,492	8,492	268,049
Bristol	-	3,385	3,385	91,699
Burrillville	-	8,905	8,905	535,149
Central Falls	-	13,252	13,252	125,146
Charlestown	-	672	672	39,022
Coventry	-	19,490	19,490	390,891
Cranston	-	78,762	78,762	941,703
Cumberland	-	18,326	18,326	537,628
East Greenwich	-	9,183	9,183	100,998
East Providence	-	57,689	57,689	519,713
Exeter	-	563	563	70,742
Foster	-	408	408	102,686
Glocester	-	3,962	3,962	101,879
Hopkinton	-	(1,560)	(1,560)	70,077
Jamestown	-	(11,293)	(11,293)	16,618
Johnston	-	10,280	10,280	469,453
Lincoln	-	5,299	5,299	477,036
Little Compton	-	(2,288)	(2,288)	22,039
Middletown	-	30,620	30,620	90,211
Narragansett	-	12,619	12,619	150,731
Newport	-	42,560	42,560	136,737
New Shoreham	-	(38,328)	(38,328)	(23,642)
North Kingstown	-	8,996	8,996	140,042
North Providence	-	22,447	22,447	1,278,752
North Smithfield	-	5,383	5,383	194,314
Pawtucket	-	39,449	39,449	762,165
Portsmouth	-	9,398	9,398	109,474
Providence	-	243,619	243,619	2,230,676
Richmond	-	19,611	19,611	61,840
Scituate	-	1,796	1,796	154,972
Smithfield	-	27,349	27,349	436,364
South Kingstown	-	14,911	14,911	193,910
Tiverton	-	(20,008)	(20,008)	143,352
Warren	-	21,196	21,196	133,488
Warwick	-	168,072	168,072	2,619,250
Westerly	-	10,228	10,228	398,022
West Greenwich	-	6,921	6,921	266,808
West Warwick	-	29,246	29,246	110,802
Woonsocket	-	8,916	8,916	583,520
Subtotal	-	\$888,526	\$888,528	\$15,052,312
Statewide Reference Library Resource Grant (Providence)				44,006
Library Construction Reimbursement				159,989
Motor Vehicle Excise Tax Reimbursement - Fire Districts				-
Total		\$888,526	\$888,528	\$15,256,307

General Revenue Sharing

City or Town	FY 2003 Actual	FY 2004 Actual	FY 2005 Unaudited	FY 2006 Revised	FY 2007 Recommend
Barrington	268,331	231,191	234,285	259,555	243,898
Bristol	827,790	805,463	825,753	1,039,674	993,997
Burrillville	640,876	610,930	606,174	768,637	706,306
Central Falls	1,264,206	1,346,691	1,372,871	1,693,857	1,693,857
Charlestown	312,885	346,452	372,229	413,891	408,708
Coventry	903,738	925,367	917,864	909,356	1,016,876
Cranston	2,893,969	3,293,868	3,199,670	5,644,004	5,440,453
Cumberland	1,217,798	1,067,249	1,168,720	1,287,982	1,563,548
East Greenwich	164,597	170,999	189,331	215,603	177,197
East Providence	2,150,562	2,200,038	2,276,071	2,801,112	2,687,346
Exeter	120,162	86,974	85,686	123,532	90,741
Foster	208,796	231,403	252,920	274,156	310,987
Glocester	373,961	442,690	476,816	573,692	568,668
Hopkinton	270,864	190,356	184,276	217,544	226,378
Jamestown	175,456	181,533	162,060	160,979	146,926
Johnston	1,883,151	2,006,020	2,045,018	2,543,347	2,559,832
Lincoln	623,559	577,113	811,406	743,316	961,399
Little Compton	92,532	89,499	89,057	108,622	106,061
Middletown	710,829	826,214	842,795	1,028,122	981,499
Narragansett	636,402	681,586	703,202	862,695	884,151
Newport	1,644,944	1,778,150	1,728,739	1,959,634	1,850,754
New Shoreham	67,458	71,860	73,257	91,107	91,698
North Kingstown	783,030	821,676	806,625	1,014,310	891,999
North Providence	1,709,065	1,897,449	1,949,426	2,316,767	2,404,365
North Smithfield	540,128	618,281	698,892	641,962	657,724
Pawtucket	3,875,743	4,490,377	4,579,132	5,573,666	5,476,767
Portsmouth	551,852	553,213	547,679	680,619	656,137
Providence	11,595,992	12,352,585	12,592,728	15,536,990	15,536,990
Richmond	157,544	162,490	145,825	170,980	148,648
Scituate	304,967	320,753	372,523	440,227	453,690
Smithfield	1,293,372	1,268,058	1,346,867	1,807,118	1,871,460
South Kingstown	884,551	928,824	820,517	1,041,896	1,018,036
Tiverton	484,363	523,660	471,479	604,647	647,665
Warren	409,778	416,220	385,456	482,593	503,262
Warwick	3,644,809	4,034,001	4,050,212	4,911,046	4,883,625
Westerly	538,046	447,184	576,458	631,967	759,362
West Greenwich	141,044	144,375	161,935	187,739	223,784
West Warwick	1,152,739	1,246,456	1,278,641	1,484,272	1,473,614
Woonsocket	2,768,041	3,051,285	3,035,938	3,726,785	3,868,095
Total	\$48,287,932	\$51,438,532	\$52,438,532	64,974,003	\$65,186,503

Payment In Lieu of Tax Exempt Property

City or Town	FY 2003 Actual	FY 2004 Actual	FY 2005 Unaudited	FY 2006 Revised	FY 2007 Recommend
Barrington	63,524	71,029	47,886	51,885	53,961
Bristol	432,996	421,492	420,601	541,562	561,841
Burrillville	70,742	76,977	78,522	76,004	79,032
Central Falls	18,416	20,649	20,106	21,449	-
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	2,275,093	2,611,611	3,371,038	3,590,332	3,590,332
Cumberland	503	81	81	88	140
East Greenwich	4,222	4,592	7,242	7,772	7,954
East Providence	55,581	63,139	64,838	57,965	61,740
Exeter	-	-	-	-	-
Foster	242	266	255	259	271
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	5	5	5	9	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	638,104	450,882	511,083	632,176	659,506
New Shoreham	-	-	-	-	-
North Kingstown	5,908	8,265	8,301	6,631	6,848
North Providence	73,072	385,144	395,607	443,308	534,103
North Smithfield	40,331	43,886	44,215	37,392	38,887
Pawtucket	253,247	311,780	278,920	314,165	330,969
Portsmouth	-	10,206	10,147	-	-
Providence	12,688,288	15,427,635	15,573,005	19,609,384	20,160,248
Richmond	408	426	433	468	628
Scituate	-	-	-	-	-
Smithfield	389,575	514,316	544,555	415,240	438,387
South Kingstown	106,574	123,224	125,597	111,380	121,356
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	744,159	845,581	855,013	758,470	2,014,729
Westerly	131,305	149,941	182,085	125,744	132,526
West Greenwich	-	-	-	-	-
West Warwick	-	-	-	-	-
Woonsocket	159,207	174,990	176,582	173,509	173,509
Total	\$18,151,500	\$21,716,117	\$22,716,117	\$26,975,194	\$28,966,967

Distressed Communities Relief Fund

City or Town	FY 2003 Actual	FY 2004 Actual	FY 2005 Unaudited	FY 2006 Revised	FY 2007 Recommend
Barrington	-	-	-	-	-
Bristol	-	-	-	-	-
Burrillville	-	-	-	-	349,213
Central Falls	183,012	182,474	225,249	331,391	351,165
Charlestown	-	-	-	-	-
Coventry	-	-	-	-	-
Cranston	-	-	-	-	-
Cumberland	-	-	-	-	-
East Greenwich	-	-	-	-	-
East Providence	-	-	-	-	-
Exeter	-	-	-	-	-
Foster	-	-	-	-	-
Glocester	-	-	-	-	-
Hopkinton	-	-	-	-	-
Jamestown	-	-	-	-	-
Johnston	-	-	-	-	-
Lincoln	-	-	-	-	-
Little Compton	-	-	-	-	-
Middletown	-	-	-	-	-
Narragansett	-	-	-	-	-
Newport	-	-	-	-	-
New Shoreham	-	-	-	-	-
North Kingstown	-	-	-	-	-
North Providence	695,002	-	-	636,890	1,270,669
North Smithfield	-	-	-	-	-
Pawtucket	1,200,787	1,324,945	1,619,050	1,799,377	1,777,834
Portsmouth	-	-	-	-	-
Providence	4,089,324	4,624,560	5,936,091	6,392,480	5,951,391
Richmond	-	-	-	-	-
Scituate	-	-	-	-	-
Smithfield	-	-	-	-	-
South Kingstown	-	-	-	-	-
Tiverton	-	-	-	-	-
Warren	-	-	-	-	-
Warwick	-	-	-	-	-
Westerly	-	-	-	-	-
West Greenwich	-	-	-	-	-
West Warwick	656,813	730,173	908,956	1,080,481	1,079,562
Woonsocket	641,728	671,181	843,985	976,049	961,835
Total	\$7,466,667	\$7,533,333	\$9,533,333	\$11,216,667	\$11,741,667

Library Aid

City or Town	FY 2003 Actual	FY 2004 Actual	FY 2005 Unaudited	FY 2006 Revised	FY 2007 Recommend
Barrington	270,988	276,378	295,313	306,140	314,971
Bristol	75,665	75,665	69,440	65,294	57,181
Burrillville	60,946	61,881	65,836	74,370	79,855
Central Falls	63,470	63,470	62,193	63,103	66,132
Charlestown	39,288	39,137	42,213	44,392	45,568
Coventry	132,799	138,258	147,975	153,472	167,177
Cranston	464,044	479,014	488,229	528,702	548,485
Cumberland	180,986	183,570	212,069	227,806	240,606
East Greenwich	75,049	77,310	85,191	96,606	102,399
East Providence	412,886	430,627	460,448	462,377	499,380
Exeter	8,495	8,495	8,495	8,495	28,066
Foster	37,500	37,500	34,756	32,927	29,271
Glocester	57,839	57,839	58,732	61,275	64,709
Hopkinton	40,759	40,759	39,184	36,259	31,238
Jamestown	56,930	56,930	62,279	66,151	70,379
Johnston	96,043	117,925	121,700	113,932	121,452
Lincoln	145,437	151,390	158,808	178,322	172,879
Little Compton	22,962	22,962	23,524	24,385	25,425
Middletown	116,629	118,971	129,464	142,579	149,936
Narragansett	85,273	91,730	99,601	105,684	111,496
Newport	255,226	291,129	325,323	338,300	346,433
New Shoreham	49,149	67,411	76,634	81,499	88,246
North Kingstown	211,939	214,401	224,789	231,438	234,608
North Providence	149,374	155,319	162,852	166,022	174,550
North Smithfield	48,674	50,928	51,913	60,484	60,768
Pawtucket	301,692	309,373	342,428	370,173	395,734
Portsmouth	87,802	92,657	102,070	105,447	109,462
Providence	694,985	1,392,690	1,383,493	1,321,747	1,285,939
Richmond	24,792	24,792	22,069	22,998	22,769
Scituate	64,244	72,783	79,690	85,358	93,610
Smithfield	172,606	192,547	212,038	229,928	240,145
South Kingstown	141,977	148,885	175,691	186,603	194,843
Tiverton	58,697	59,477	68,270	83,613	87,145
Warren	43,788	43,788	40,858	40,908	46,087
Warwick	528,066	553,600	590,589	620,165	666,767
Westerly	87,384	98,381	248,761	286,605	287,135
West Greenwich	21,264	21,264	20,301	20,216	21,394
West Warwick	157,481	162,328	178,696	189,057	196,189
Woonsocket	175,257	190,936	198,538	210,568	219,987
Subtotal	\$5,718,384	\$6,672,500	\$7,170,456	\$7,443,400	\$7,698,411
Library Construction Aid	2,161,500	2,128,601	2,491,654	2,651,643	2,705,348
State Institutions	34,249	9,377	18,558	73,560	44,138
Statewide Reference Lib.	880,111	880,110	880,110	924,116	970,322
Total	\$8,794,244	\$9,690,588	\$10,560,778	\$11,092,719	\$11,418,219

¹ A portion of Library Aid is disbursed directly to local libraries (including private libraries), not to the City or Town.

Motor Vehicle Excise Tax Reimbursement

City or Town	FY 2003 Actual	FY 2004 Actual	FY 2005 Unaudited	FY 2006 Revised	FY 2007 Recommend
Barrington	2,132,408	2,197,524	2,197,524	2,519,485	2,783,792
Bristol	1,066,390	1,118,422	1,118,422	1,240,864	1,362,689
Burrillville	1,864,694	2,053,956	2,053,956	2,395,501	2,626,350
Central Falls	1,093,393	1,208,411	1,208,411	1,347,205	1,457,745
Charlestown	354,624	374,379	374,379	432,542	474,899
Coventry	2,025,721	2,147,241	2,147,241	2,517,677	2,767,853
Cranston	9,218,514	9,485,112	9,485,112	10,692,387	11,739,096
Cumberland	1,938,303	2,048,308	2,048,308	2,354,321	2,585,205
East Greenwich	1,012,572	1,041,805	1,041,805	1,202,496	1,326,742
East Providence	5,912,571	4,994,050	4,994,050	5,473,931	6,008,944
Exeter	674,106	718,053	718,053	846,775	930,174
Foster	546,246	578,603	578,603	709,101	778,192
Glocester	818,359	868,250	868,250	1,013,902	1,113,409
Hopkinton	562,864	597,217	597,217	707,122	774,946
Jamestown	305,815	317,721	317,721	372,550	410,295
Johnston	3,691,284	4,114,297	4,114,297	4,500,637	4,935,805
Lincoln	2,074,788	2,195,453	2,195,453	2,565,312	2,824,409
Little Compton	203,840	214,723	214,723	257,450	283,298
Middletown	789,207	881,663	881,663	1,020,862	1,119,719
Narragansett	917,679	957,099	957,099	1,088,662	1,199,506
Newport	1,409,508	1,455,950	1,455,950	1,714,712	1,882,306
New Shoreham	61,778	65,343	65,343	77,757	85,105
North Kingstown	2,180,209	2,179,062	2,179,062	2,478,693	2,728,664
North Providence	3,624,952	3,941,255	3,941,255	4,376,518	4,812,123
North Smithfield	1,439,569	1,501,993	1,501,993	1,726,578	1,897,968
Pawtucket	7,573,162	8,006,234	8,006,234	8,935,002	9,733,796
Portsmouth	1,126,290	1,180,727	1,180,727	1,341,978	1,462,521
Providence	18,063,629	18,908,768	18,908,768	20,834,614	22,747,703
Richmond	546,406	578,451	578,451	684,237	748,866
Scituate	1,100,355	1,155,251	1,155,251	1,332,368	1,463,829
Smithfield	2,494,437	2,641,772	2,641,772	3,089,250	3,400,560
South Kingstown	1,489,266	1,578,608	1,578,608	1,831,926	2,016,569
Tiverton	962,480	1,022,440	1,022,440	1,214,359	1,331,169
Warren	800,409	854,507	854,507	882,509	968,953
Warwick	10,129,733	10,654,567	10,654,567	11,852,255	13,027,993
Westerly	2,102,452	2,238,068	2,238,068	2,572,359	2,825,446
West Greenwich	369,045	395,962	395,962	476,870	524,739
West Warwick	2,320,264	2,432,650	2,432,650	2,667,910	2,928,706
Woonsocket	3,909,078	4,207,412	4,207,412	4,700,931	5,139,020
Subtotal	\$98,906,401	\$103,111,305	\$103,111,305	\$116,049,609	\$127,229,102
Fire Districts	1,875,837	1,875,837	1,875,837	1,875,837	1,875,837
FY 2002 Net Payable Reconciliation	(575,667)	-	-	-	-
Total	\$100,206,571	\$104,987,142	\$104,987,142	\$117,925,446	\$129,104,939

Total Formula Aid to Cities and Towns

City or Town	FY 2003 Actual	FY 2004 Actual	FY 2005 Unaudited	FY 2006 Revised	FY 2007 Recommend
Barrington	2,735,251	2,776,122	2,775,008	3,137,065	3,396,622
Bristol	2,402,841	2,421,042	2,434,216	2,887,394	2,975,708
Burrillville	2,637,258	2,803,744	2,804,487	3,314,512	3,840,756
Central Falls	2,622,497	2,821,695	2,888,830	3,457,005	3,568,899
Charlestown	706,797	759,968	788,821	890,825	929,175
Coventry	3,062,258	3,210,866	3,213,080	3,580,505	3,951,906
Cranston	14,851,620	15,869,605	16,544,048	20,455,425	21,318,366
Cumberland	3,337,590	3,299,208	3,429,178	3,870,197	4,389,499
East Greenwich	1,256,440	1,294,706	1,323,569	1,522,477	1,614,292
East Providence	8,531,600	7,687,854	7,795,407	8,795,385	9,257,410
Exeter	802,763	813,522	812,235	978,802	1,048,981
Foster	792,784	847,772	866,534	1,016,443	1,118,721
Glocester	1,250,159	1,368,779	1,403,798	1,648,869	1,746,786
Hopkinton	874,487	828,332	820,676	960,925	1,032,562
Jamestown	538,206	556,189	542,066	599,689	627,600
Johnston	5,670,478	6,238,242	6,281,015	7,157,916	7,617,089
Lincoln	2,843,784	2,923,956	3,165,667	3,486,950	3,958,687
Little Compton	319,334	327,184	327,303	390,457	414,784
Middletown	1,616,665	1,826,848	1,853,922	2,191,563	2,251,154
Narragansett	1,639,354	1,730,415	1,759,902	2,057,041	2,195,153
Newport	3,947,782	3,976,111	4,021,095	4,644,822	4,738,999
New Shoreham	178,385	204,614	215,234	250,363	265,049
North Kingstown	3,181,086	3,223,404	3,218,776	3,731,072	3,862,119
North Providence	6,251,465	6,379,167	6,449,140	7,939,505	9,195,810
North Smithfield	2,068,702	2,215,088	2,297,012	2,466,416	2,655,347
Pawtucket	13,204,631	14,442,709	14,825,764	16,992,383	17,715,100
Portsmouth	1,765,944	1,836,803	1,840,623	2,128,044	2,228,120
Providence	47,132,218	52,706,238	54,394,084	63,695,215	65,682,271
Richmond	729,150	766,159	746,778	878,683	920,911
Scituate	1,469,566	1,548,787	1,607,464	1,857,953	2,011,129
Smithfield	4,349,990	4,616,693	4,745,233	5,541,536	5,950,552
South Kingstown	2,622,368	2,779,541	2,700,413	3,171,805	3,350,804
Tiverton	1,505,540	1,605,577	1,562,189	1,902,619	2,065,979
Warren	1,253,975	1,314,515	1,280,821	1,406,010	1,518,302
Warwick	15,046,767	16,087,749	16,150,381	18,141,936	20,593,114
Westerly	2,859,187	2,933,574	3,245,372	3,616,675	4,004,469
West Greenwich	531,353	561,601	578,198	684,825	769,917
West Warwick	4,287,297	4,571,607	4,798,943	5,421,720	5,678,071
Woonsocket	7,653,311	8,295,804	8,462,454	9,787,842	10,362,446
Fire Districts	1,875,837	1,875,837	1,875,837	1,875,837	1,875,837
Library Construction	2,161,500	2,128,601	2,491,654	2,651,643	2,705,348
MV - Payable Reconciliation	(575,667)	-	-	-	-
State Institutions Library Aid	34,249	9,377	18,558	73,560	44,138
Statewide Reference Library	880,111	880,110	880,110	924,116	970,322
Total	\$182,906,908	\$195,365,712	\$200,235,902	\$232,184,025	\$246,418,295

Public Service Corporation Tax Pass Through

City or Town	FY 2003 Actual	FY 2004 Actual	FY 2005 Unaudited	FY 2006 Revised	FY 2007 Recommend
Barrington	289,123	261,919	234,428	195,648	195,648
Bristol	386,247	349,905	313,179	261,371	261,371
Burrillville	271,537	245,988	220,169	183,748	183,748
Central Falls	325,376	294,762	263,824	220,181	220,181
Charlestown	135,098	122,387	109,541	91,420	91,420
Coventry	578,760	524,305	469,274	391,644	391,644
Cranston	1,362,651	1,234,440	1,104,873	922,100	922,100
Cumberland	547,336	495,838	443,795	370,380	370,380
East Greenwich	222,579	201,637	180,473	150,618	150,618
East Providence	836,957	758,208	678,627	566,365	566,365
Exeter	103,915	94,138	84,257	70,319	70,319
Foster	73,471	66,558	59,572	49,717	49,717
Glocester	171,008	154,918	138,658	115,721	115,721
Hopkinton	134,703	122,028	109,220	91,152	91,152
Jamestown	96,643	87,550	78,361	65,398	65,398
Johnston	484,678	439,075	392,990	327,980	327,980
Lincoln	359,241	325,440	291,282	243,097	243,097
Little Compton	61,764	55,953	50,080	41,796	41,796
Middletown	297,975	269,939	241,606	201,638	201,638
Narragansett	281,249	254,787	228,044	190,320	190,320
Newport	455,111	412,290	369,016	307,972	307,972
New Shoreham	17,362	15,728	14,078	11,749	11,749
North Kingstown	452,550	409,969	366,939	306,238	306,238
North Providence	557,152	504,730	451,753	377,022	377,022
North Smithfield	182,526	165,352	147,997	123,515	123,515
Pawtucket	1,254,164	1,136,160	1,016,908	848,686	848,686
Portsmouth	294,795	267,058	239,027	199,486	199,486
Providence	2,984,531	2,703,718	2,419,935	2,019,618	2,019,618
Richmond	124,148	112,467	100,662	84,010	84,010
Scituate	177,472	160,774	143,899	120,095	120,095
Smithfield	354,342	321,002	287,310	239,782	239,782
South Kingstown	479,968	434,808	389,170	324,792	324,792
Tiverton	262,323	237,641	212,698	177,512	177,512
Warren	195,281	176,907	158,339	132,146	132,146
Warwick	1,475,058	1,336,271	1,196,015	998,165	998,165
Westerly	394,790	357,645	320,106	267,153	267,153
West Greenwich	87,412	79,188	70,876	59,151	59,151
West Warwick	508,504	460,659	412,308	344,102	344,102
Woonsocket	743,030	673,119	602,468	502,805	502,805
Total	\$18,020,830	\$16,325,260	\$14,611,755	\$12,194,610	\$12,194,610

Meals and Beverage Tax Pass Through

City or Town	FY 2003 Actual	FY 2004 Actual	FY 2005 Unaudited	FY 2006 Revised	FY 2007 Recommend
Barrington	-	72,948	106,413	97,145	105,637
Bristol	-	188,700	277,900	271,248	274,633
Burrillville	-	108,726	157,725	148,084	156,989
Central Falls	-	86,646	103,390	100,222	113,474
Charlestown	-	77,960	110,818	110,707	111,379
Coventry	-	228,987	302,861	295,849	315,339
Cranston	-	962,073	1,194,919	1,205,677	1,284,439
Cumberland	-	239,874	309,860	308,146	326,472
East Greenwich	-	261,080	379,684	368,282	377,465
East Providence	-	590,689	734,984	731,620	789,309
Exeter	-	33,393	49,573	48,243	48,806
Foster	-	15,511	16,658	18,941	19,349
Glocester	-	40,034	63,783	56,819	60,781
Hopkinton	-	20,174	25,486	28,718	27,158
Jamestown	-	82,198	66,561	102,502	91,209
Johnston	-	305,274	367,479	391,192	401,472
Lincoln	-	311,654	386,929	410,702	416,001
Little Compton	-	19,076	31,459	31,806	29,518
Middletown	-	372,468	458,586	464,551	495,171
Narragansett	-	266,005	409,340	383,698	396,317
Newport	-	1,013,307	1,508,947	1,440,879	1,483,439
New Shoreham	-	107,674	191,142	212,024	173,696
North Kingstown	-	251,715	373,774	358,950	367,946
North Providence	-	302,591	385,552	386,608	409,055
North Smithfield	-	127,963	173,443	173,025	178,408
Pawtucket	-	474,569	610,637	605,198	644,647
Portsmouth	-	119,611	161,268	156,920	166,318
Providence	-	2,850,014	3,740,096	3,665,836	3,909,455
Richmond	-	85,689	123,656	103,776	123,387
Scituate	-	27,706	34,556	35,269	37,065
Smithfield	-	351,910	443,428	445,788	473,137
South Kingstown	-	331,805	481,000	464,004	478,915
Tiverton	-	71,521	119,891	131,694	111,686
Warren	-	181,756	236,290	226,961	248,157
Warwick	-	1,749,481	2,170,615	2,166,423	2,334,495
Westerly	-	431,481	606,892	602,853	613,081
West Greenwich	-	57,187	81,072	74,666	81,587
West Warwick	-	292,472	377,803	368,812	398,058
Woonsocket	-	397,257	426,250	486,426	495,342
Subtotal	-	\$13,509,178	\$17,800,720	\$17,680,265	\$18,568,791

Total Aid to Cities and Towns

City or Town	FY 2003 Actual	FY 2004 Actual	FY 2005 Unaudited	FY 2006 Revised	FY 2007 Recommend
Barrington	3,024,374	3,110,989	3,115,849	3,429,905	3,697,907
Bristol	2,789,088	2,959,648	3,025,295	3,420,201	3,511,712
Burrillville	2,908,795	3,158,457	3,182,382	3,640,242	4,181,493
Central Falls	2,947,873	3,203,103	3,256,044	3,777,408	3,902,554
Charlestown	841,895	960,315	1,009,180	1,093,026	1,131,974
Coventry	3,641,018	3,964,158	3,985,215	4,268,162	4,658,889
Cranston	16,214,271	18,066,117	18,843,840	22,584,219	23,524,905
Cumberland	3,884,926	4,034,920	4,182,834	4,548,955	5,086,351
East Greenwich	1,479,019	1,757,422	1,883,727	2,041,415	2,142,375
East Providence	9,368,557	9,036,751	9,209,019	10,093,875	10,613,084
Exeter	906,678	941,054	946,064	1,097,386	1,168,106
Foster	866,255	929,841	942,764	1,085,151	1,187,787
Glocester	1,421,167	1,563,731	1,606,239	1,821,513	1,923,288
Hopkinton	1,009,190	970,534	955,383	1,080,834	1,150,872
Jamestown	634,849	725,937	686,988	767,618	784,207
Johnston	6,155,156	6,982,591	7,041,484	7,877,546	8,346,541
Lincoln	3,203,025	3,561,050	3,843,878	4,140,883	4,617,785
Little Compton	381,098	402,212	408,843	464,079	486,098
Middletown	1,914,640	2,469,255	2,554,114	2,857,937	2,947,963
Narragansett	1,920,603	2,251,206	2,397,286	2,631,215	2,781,790
Newport	4,402,893	5,401,708	5,899,058	6,394,026	6,530,410
New Shoreham	195,747	328,016	420,454	474,153	450,494
North Kingstown	3,633,636	3,885,088	3,959,489	4,396,443	4,536,303
North Providence	6,808,617	7,186,488	7,286,445	8,703,135	9,981,887
North Smithfield	2,251,228	2,508,403	2,618,452	2,763,072	2,957,270
Pawtucket	14,458,795	16,053,437	16,453,308	18,446,267	19,208,433
Portsmouth	2,060,739	2,223,473	2,240,918	2,484,573	2,593,924
Providence	50,116,749	58,259,970	60,554,115	69,380,669	71,611,344
Richmond	853,298	964,315	971,095	1,066,500	1,128,308
Scituate	1,647,038	1,737,267	1,785,920	2,013,396	2,168,289
Smithfield	4,704,332	5,289,606	5,475,971	6,227,431	6,663,471
South Kingstown	3,102,336	3,546,154	3,570,583	3,960,789	4,154,511
Tiverton	1,767,863	1,914,740	1,894,778	2,211,934	2,355,177
Warren	1,449,256	1,673,178	1,675,450	1,765,204	1,898,605
Warwick	16,521,825	19,173,501	19,517,011	21,307,409	23,925,774
Westerly	3,253,977	3,722,700	4,172,370	4,486,795	4,884,703
West Greenwich	618,765	697,976	730,146	818,676	910,655
West Warwick	4,795,801	5,324,738	5,589,054	6,134,634	6,420,231
Woonsocket	8,396,341	9,366,179	9,491,172	10,777,073	11,360,593
Fire Districts	1,875,837	1,875,837	1,875,837	1,875,837	1,875,837
Library Construction	2,161,500	2,128,601	2,491,654	2,651,643	2,705,348
MV - Payable Reconciliator	(575,667)	-	-	-	-
State Insitutions Library Aic	34,249	9,377	18,558	73,560	44,138
Statewide Reference Library	880,111	880,110	880,110	924,116	970,322
Total	\$200,927,738	\$225,200,150	\$232,648,377	\$262,058,904	\$277,181,696

Education Aid to Local Governments

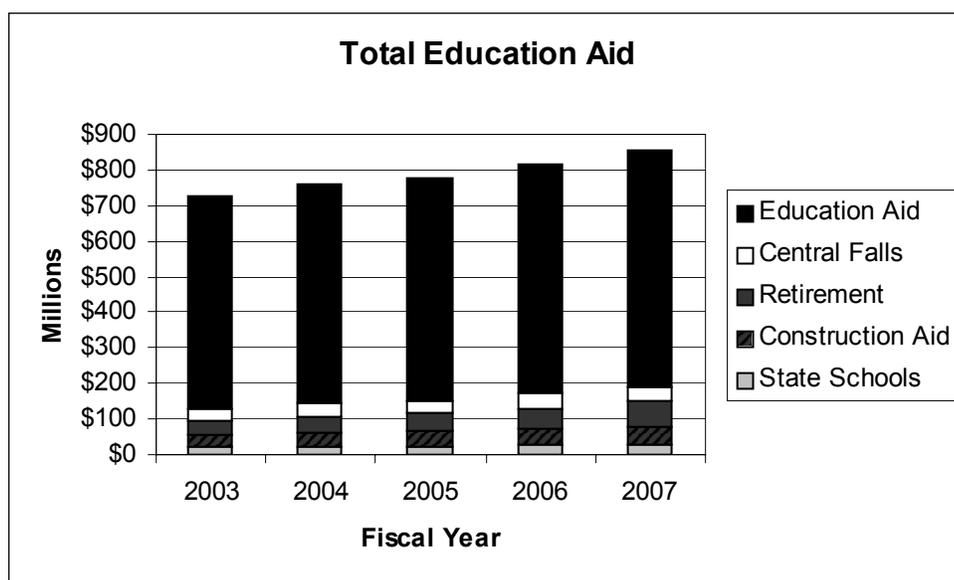
The Governor's recommendation for education aid to local governments totals \$856.3 million in FY 2007, including financing for the School for the Deaf, Davies and Metropolitan Career and Technical Schools, and the Central Falls School District. The recommendation represents a \$41.0 million, or 5.0 percent, increase in state support relative the revised FY 2006 budget. Specifically, the Governor's proposal includes additions of \$2.0 million to charter schools, \$213,113 for Progressive Support and Intervention, \$398,000 for Vocational Equity and \$326,000 for Full-Day Kindergarten. The sole decline in distributed aid occurs within the category of group home aid, which decreases by \$165,000 and reflects a reduction of eleven aid-eligible group home beds.

The Governor's FY 2007 budget also proposes an \$18.7 million addition to unrestricted General Aid, designed to assist school districts as they contend with cost increases from a variety of sources. Chief among these are higher local contribution requirements for teachers' retirement. Therefore, this additional appropriation mirrors the anticipated changes in local contributions and embodies the Governor's commitment to containing local fiscal burdens stemming from rising educational costs.

The Governor's FY 2007 Education Aid package finances a variety of new education initiatives endorsed by the Governor's Office as part of "Project Making the Grade", which targets math and science education improvements. These include such initiatives as Project Inner Space, a program designed to improve science teaching and learning through advanced telepresence technology that allows students to view underwater life via internet access; Physics First, a pilot program designed to support the acquisition of physics texts and chemistry equipment in five high schools; and the hiring of a new Mathematics and Science Project Manager to coordinate the implementation of Project Making the Grade initiatives. Moreover, \$850,000 is allocated toward professional development activities within the disciplines of Mathematics and Science of which \$100,000 is reserved as a set-aside to support the expansion of the Physics First pilot program into more high schools. A further \$150,000 is made available to support the Extended School Day Pilot Program, a new program in urban districts that will address the challenges among low income minority youth by providing opportunities during out of school time for youth to engage in educational and enrichment activities.

Lastly, the Governor's FY 2007 budget proposes an increase of \$3.0 million in school construction aid, \$13.1 million in teachers' retirement, an increase of \$592,426 to the Metropolitan Career and Technical School, and respective increases of \$589,601 and \$272,246 to the Davies School and the School for the Deaf. Thus, aid to state schools increases by a total of \$1.5 million, while general revenue financing of the Central Falls School District (net of indirect charter school aid) remains level at \$41.2 million.

The following graph displays total school aid from FY 2003 to FY 2007. The "Education Aid" component is comprised of all aid categories under the standard Education Aid program. This includes, but is not limited to, General Aid, Targeted Aid, Charter School Aid, Progressive Support and Intervention, and the Student Investment Initiatives. Other components of total aid include: State Contributions for Teachers' Retirement; School Construction Aid (Housing Aid); Central Falls School District; and State Schools (Davies, Deaf, and the Met School).



Rhode Island Education Aid Formulas

School Construction Aid (Housing Aid): The School Housing Foundation Aid Program, or aid for educational capital expenses, reimburses local expenditures using a one-year reference. The Commissioner and the Board of Regents review each local community's request for reimbursement through the program. The program reimburses a community for eligible construction expenditures after the project is complete. The reimbursement rate is based on the cost of the project over the life of the bonds issued for the project.

It should be noted that although the reimbursement reference for completed projects is one year, there is a two-year reference for formula factors. For example, FY 2005 allocations were based on 2003 wealth and enrollment levels. The construction aid share ratio calculation is based on a district's income adjusted property wealth compared to aggregate state property wealth. The average state housing aid share ratio is thirty-eight percent, with a minimum of thirty percent. A four percent bonus is awarded when a minimum of seventy-five percent of a project's cost is for energy conservation, asbestos removal, or handicapped access. Regional districts receive a two percent bonus for each regionalized grade for new construction projects, and an additional four percent bonus for renovation projects. The current calculation also includes a debt service adjustment for heavily burdened districts.

Reimbursement is based on total expended project cost, plus related bond interest cost, not on the amount of the original bond issuance. For example, if a community issued \$6.5 million for ten years for a capital improvement to a school, but only spent \$6.0 million, the department would reimburse the community for the State's appropriate share of the \$6.0 million spent on the completed project, plus the bond interest payments over a ten year period. This statute was amended to include the use of lease revenue bonds, financial leases, capital reserve funding, and similar financial instruments to finance school construction. Communities used this amendment to receive project reimbursements commencing in FY 1999. The FY 2004 Appropriation Act

amended the housing aid statute to require that all future school construction debt be issued through the Rhode Island Health and Education Building Corporation.

The revised FY 2006 and FY 2007 budgets propose general revenue expenditures of \$46.6 million and \$49.7 million, respectively, for the School Construction Aid program.

State Contributions for Teachers' Retirement: RIGL §16-16-22 requires the State to make contributions to the teacher retirement system in Rhode Island. The State shall contribute a percentage of the employer's share, with the school districts contributing the balance. The State's share has varied over the years based upon the total actuarially determined rate of payroll, but since FY 1993 it has been fixed at forty percent, with the municipalities contributing sixty percent. Each district receives the same percentage, regardless of wealth.

The Governor and the General Assembly deferred the State's contributions to Teachers' Retirement in both FY 1991 and FY 1992. Most municipalities also deferred the local portion of teacher retirement contributions for this period. The state deferrals, valued at \$22.4 million in FY 1991 and \$22.2 million in FY 1992, will be financed over twenty years, as will the local deferral. The annual calculation applied to the state contribution to Teachers' Retirement includes an adjustment to accommodate the deferral liability. Five municipalities, including Burrillville, East Greenwich, Little Compton, New Shoreham and North Smithfield, did not participate in these deferrals. Because they have no deferral liability, these districts contribute a smaller percentage of teachers' salaries.

Contribution Rates for Teachers' Retirement Fund

	<u>Actuarial Contribution Rate of Payroll</u>	<u>Employer Share</u>			<u>Teacher Share</u>
		<u>Local (60%)*</u>	<u>State (40%)*</u>	<u>Sub Total</u>	
1999	21.02%	6.62%	4.90%	11.52%	9.5%
2000	24.14%	8.43%	6.21%	14.64%	9.5%
2001	21.51%	6.86%	5.15%	12.01%	9.5%
2002	19.45%	5.73%	4.22%	9.95%	9.5%
2003	21.47%	6.93%	5.04%	11.97%	9.5%
2004	23.22%	7.99%	5.73%	13.72%	9.5%
2005	24.34%	8.72%	6.12%	14.84%	9.5%
2006	25.97%	9.72%	6.75%	16.47%	9.5%
2007	29.14%	11.62%	8.02%	19.64%	9.5%

* Adjusted for deferral liability for certain non participating communities

The following table displays the state contributions to Teacher Retirement since FY 1999. The State Retirement Board uses the districts' retirement contribution data to calculate the state obligation each month, and contributions are accrued to the appropriate fiscal period.

State Contribution for Teacher Retirement

<u>Fiscal Year</u>	<u>State Share</u>
1999 Actual	\$30,202,943
2000 Actual	\$40,719,407
2001 Actual	\$35,365,234
2002 Actual	\$30,652,207
2003 Actual	\$38,242,690
2004 Actual	\$45,039,269
2005 Unaudited	\$48,503,125
2006 Enacted	\$58,632,638
2006 Revised	\$56,284,163
2007 Recommended	\$69,381,696

The FY 2006 revised recommendation reflects full state appropriations for the actuarial determined contribution rate as certified by the actuary and approved by the Retirement Board but reflects a downward revision from enacted appropriations to reflect an adjusted payroll base.

The FY 2007 state contribution recommendation also reflects full state appropriations for the actuarial determined contribution rate as certified by the actuary and approved by the Retirement Board. It is noted elsewhere that General Aid for FY 2007 is apportioned to assist school districts in meeting the additional costs due to increased local share requirements.

Categories of Aid Since FY 1997

The FY 1998 Appropriation Act contained six new categories for education aid to local school districts. This began the new distribution methodology for education aid. The FY 1999 Appropriations Act established two more such categories, the FY 2000 Act added one more, the FY 2001 Act provided for four more, and the FY 2002 Act added two more. These are described below.

General Aid: o

same grades in the same year. These amounts are used in coordination with the literacy set-aside funds and may be used for early childhood pilot programs such as the Child Opportunity Zones. Three percent of these funds are to be set aside for literacy purposes. These funds are used for programs to close student performance gaps, as specified in each district's required strategic plan. The revised FY 2006 and FY 2007 recommended budgets each contain appropriations of \$6.8 million for this fund.

Professional Development Investment Fund: This fund was created to encourage the continued development of the skills of Rhode Island teachers. Distribution is based on pupil-teacher ratios. School districts receiving these funds may replace up to ten percent of the amount spent in the prior fiscal year for professional development. The purpose of the fund is to close student performance gaps as specified in each district's required strategic plan. The FY 2007 budget provides financing of \$7.7 million, including \$1.9 million in Professional Development funds expended directly by the Department of Elementary and Secondary Education for statewide development activities.

Student Equity Investment Fund: This fund was established to target resources for improvement of fourth grade performances in mathematics, reading, and writing. The funds are distributed based on each district's proportionate share students eligible for federally subsidized meals, as compared to the statewide number. Three percent of these funds are to be set aside for literacy purposes. These funds are to be used for programs to close student performance gaps as specified in each district's required strategic plan. The FY 2007 budget contains a total appropriation of \$73.8 million for this fund.

Student Language Assistance Investment Fund: This fund was established to target resources to assist students requiring additional language services. The funds are to be distributed based on each district's proportion of students receiving limited proficiency and/or bilingual education services as compared to the statewide number. These funds are to be used for programs to close student performance gaps, as specified in each district's required strategic plan. The FY 2007 provides an appropriation of \$31.7 million for this fund.

Student Technology Investment Fund: Rhode Island's Comprehensive Education Strategy calls for support for all schools in educational technology. These resources may be used for curriculum development, in-service professional development, and infrastructure requirements. The funds are distributed based on each district's proportion of students (pre-kindergarten to grade 12) relative to the statewide total of students. Districts may use these funds to replace up to ten percent of its technology related expenditures of the previous year. These funds are to be used for programs to close student performance gaps, as specified in each district's required strategic plan. The proposed FY 2007 appropriation totals \$3.4 million for this fund.

Targeted School Aid: This fund targets aid to those school districts in which tax effort exceeds tax capacity and in which at least forty percent of the students in grades three and below are eligible for free or reduced school lunches. The distribution of aid is based on the ratio of the average daily membership of a district to the total average daily membership of all districts eligible for aid from the fund. Expenditures from the fund will be consistent with the district's strategic plan. Fiscal year 1999 was the first year targeted school aid was used as a category to distribute education aid to school districts. The FY 2007 budget contains a total appropriation of \$20.0 million for this aid category.

On-Site Visits: As part of the education initiative embodied in RIGL §16-7.1-2, each school district is mandated to develop a strategic plan. Each strategic plan must indicate the manner in which self-studies will be completed at the school level, in accordance with guidelines established by the Commissioner of the Department of Elementary and Secondary Education. This fund provides resources to assist districts with comprehensive on-site reviews on a scheduled basis. The schools to be reviewed for each year are

determined by the Commissioner. An appropriation of \$407,935 is provided in FY 2007 to continue the review process.

Charter School Fund: This fund was added in the 1999 legislative session and is designed specifically to provide funds to state charter schools. Eleven charter schools are currently in operation, four of which operate in the Providence school district. The FY 2007 budget finances a total of \$25.3 million, of which \$1.3 million is provided in education aid directly to local school districts.

Full Day Kindergarten: This fund was established during the 2000 legislative session to support full-day kindergarten programs. Districts that have implemented such programs would receive funds for October 1 pupil counts of \$1,500 per pupil if the district has a tax effort index of below 0.6, \$1,000 if the district has a tax effort index below 1.0, or \$500 if a district has a tax effort index of 1.0 or above. The FY 2007 budget includes an appropriation of \$4.5 million for Full-Day Kindergarten.

Progressive Support and Intervention: The Legislature, in enacting RIGL §16-7.1, charged the Board of Regents with the responsibility for adopting progressive support and intervention strategies for those schools and school districts that continue to fall short of performance goals. This fund supports several significant initiatives in Providence and other districts as well as statewide efforts directed by the Department of Education to provide support and intervention activities for schools and districts classified as in need of improvement. These funds not only support state mandated education reform efforts, but are also critical in meeting the requirements of the federal No Child Left Behind Act. The Progressive Support and Intervention (PSI) funds also support FTEs in leadership and research; a set of corrective action intervention teams; operating budgets for school and district level reform efforts; and a legislative grant to the Center for School Leadership. All PSI funding is either distributed to districts as targeted aid, or is used to fund direct supports and embedded professional development activities for targeted districts. The FY 2007 budget includes \$3.1 million for these purposes.

Vocational Equity: This fund was also created during the 2000 legislative session. It provides a funding mechanism for those school districts that support career and technical schools within their system. The FY 2001 budget appropriated \$1.7 million for this purpose. This allocation was determined using \$500 per student enrolled during the previous fiscal year in the local career and technical schools. The FY 2007 allocation continues this financing at an increased level of \$1.9 million.

Textbook Expansion: In its 2000 session, the Legislature appropriated \$320,000 to expand coverage of reimbursable categories of textbooks for students that attend non-public schools. These funds are reflected as education aid. In the intervening years the General Assembly has continued expanding coverage. The proposed FY 2007 budget includes an appropriation of \$240,000 for textbook reimbursement.

Hasbro Children's Hospital: Reimbursement to Hasbro Children's Hospital for expenditures for teachers providing schooling to students in the hospital has been provided in previous budgets, but not included in the education aid category. The FY 2007 budget appropriates \$100,000 for this purpose, and categorizes this disbursement as education aid.

Group Home Funds: The FY 2002 budget contained \$7.3 million to establish reimbursement for children placed in group homes by the Department of Children, Youth and Families. This fund would provide \$15,000 per bed for those communities with children in group homes. The FY 2007 budget provides \$8.9 million for such purposes.

School Breakfast: The General Assembly transferred its School Breakfast program to the Department of Elementary and Secondary Education for FY 2004. For FY 2007, the Governor recommends \$600,000 for the program.

Telecommunication Access: The General Assembly enacted legislation that added \$.26 to each land phone line effective January 1, 2004 to provide the state match to pay for the telecommunications cost for local schools and libraries. As these revenues are insufficient to pay for the program, the state subsidizes it with general revenue financing. Competitive bidding among service providers has recently produced expenditure projections below initial expectations. Thus, the Governor's revised FY 2006 budget recommends a decline of \$626,000 from the FY 2006 enacted level of \$802,965. The recommended FY 2007 appropriation for this fund is \$277,965.

Funding Patterns for FY 2003 through FY 2006

FY 2003 The budget recommended \$730.3 million in education aid for FY 2003. This total also reflected financing for the state schools, the School for the Deaf, the Davies Career and Technical School and the Metropolitan Career and Technical School. With these schools included, the FY 2003 increase is \$36.0 million. Approximately half the increase, \$18.2 million, occurred in the General Aid category. The remaining major increases occurred in Charter School Aid, \$3.4 million; Targeted Aid, \$2.0 million; Teacher Retirement, \$7.9 million; and School Construction Aid, \$5.0 million.

FY 2004 The budget included \$762.6 million in education aid for FY 2004. This total included financing for the state schools, the School for the Deaf, the Davies Career and Technical School and the Metropolitan Career and Technical School. When compared to the revised FY 2003 appropriation, including the state schools, education aid increased by \$32.3 million. This included an increase of \$15.0 in direct education aid to districts over the FY 2003 level. Of the total aid increase, \$2.4 million occurred in School Construction and \$8.1 million in Teacher Retirement. Major increases also occurred in Charter School Aid, \$3.4 million; Metropolitan School, \$1.8 million; Davies School, \$0.7 million; and Progressive Support and Intervention (Hope High School), \$0.6 million.

FY 2005 The Governor proposed \$773.7 million in education aid for FY 2005. The major increase in financing was for Charter Schools, \$5.7 million, the Met School, \$2.1 million, Progressive Support Intervention, \$1.0 million, and Group Home aid, \$0.6 million. School Construction aid increased \$4.1 million and teacher retirement contributions by \$6.4 million. All forms of distributed aid were funded at the FY 2004 level.

FY 2006 Compared to FY 2006 enacted levels, the Governor's recommendation of \$815.3 million in revised FY 2006 education aid expenditures reflects a \$1.97 million reduction. This overall decline is entirely attributable to significant decreases within three distinct aid components: Teacher's Retirement (\$2.3 million), School Constriction Aid (\$548,389), and the Telecommunications Access Fund (\$626,000). Distributed aid increases by \$712,034, which includes \$75,000 in additional group home funding, but is comprised mainly of increases to the Davies School and the School for the Deaf totaling \$580,775. The proposed increase for charter schools in both direct and indirect aid totals \$872,315.

Central Falls School District

The Central Falls School District became fully state-funded in FY 1992, following a determination that the city was no longer able to support its schools. The State takeover of the district is formalized through an administrative plan that requires the city to maintain and expand the school facilities, and mandates

state responsibility for all other education funding. As a result, state support for Central Falls has expanded from \$10.3 million in FY 1992 to \$35.6 million in FY 2004. Although Central Falls continued to demonstrate resourcefulness in acquiring materials, furniture and assistance from other school districts and private organizations, during FY 2005 low levels of state financing exhausted all its resources causing a fiscal problem. The enacted FY 2005 budget was to provide \$36.0 million in state general revenues to the Central Falls school district. The Governor's revised FY 2005 budget included \$38.0 million for the school district, an increase of \$2.0 million over the enacted level to address that issue. This financial problem however was not just confined to FY 2005. In FY 2006, the Governor recommended financing of \$41.2 million, an additional increase of \$3.2 million. Despite nominal increases in general revenue financing for revised FY 2006 and FY 2007, funding for the school district remains essentially level at this amount. This is primarily the result of a proposal that every municipality be required to support at least two percent of local school costs. This proposal would apply to Central Falls and would require a contribution by the City to the school district of \$1.05 million in FY 2007. The Department of Education will focus its attention on the district's finances to assure that this will resolve the immediate problem and address any longer term issues.

Both enrollment trends and cost per pupil continue to be significant variables in the district's need for increased funds. The district experiences difficulty in anticipating its enrollment. This is due to a highly mobile population that frequently exits and re-enters its school system within and between years. A significant portion of the school population also requires additional services due to special needs. The cost of providing educational and support services to special needs students is greater than the average student cost. The Central Falls School District has the highest percentage of students in the state with special needs (twenty-three percent), and is currently below average in expenditures per pupil for special needs.

Special Education. Beginning in FY 2001, at the initiative of the Governor, claiming of federal reimbursements by local districts for special education was enhanced significantly by expanding the types of eligible services and student eligibility criteria, and by initiating reimbursements for administrative costs associated with operating special education programs. This reimbursement enhancement will improve the financing of these services at all schools, and particularly at Central Falls.

Education Aid by Category of Aid

Category of Education Aid	FY 2003 Actual	FY 2004 Actual	FY 2005 Unaudited	FY 2006 Revised	FY 2007 Recommend
Distributed Aid					
General Aid	\$448,521,683	\$457,980,414	\$458,608,114	\$458,867,739	\$477,571,901
Student Technology	3,397,691	3,397,689	3,397,693	3,397,692	3,397,692
Core Instruction Equity	30,247,253	-	-	-	-
Student Equity *	63,799,999	63,799,997	63,800,000	73,800,000	73,800,000
Early Childhood *	6,800,000	6,800,002	6,800,000	6,800,000	6,800,000
Student Language Assistance	7,000,000	31,715,460	31,715,462	31,715,459	31,715,459
Professional Development	3,325,503	3,325,501	3,325,503	5,825,502	5,825,502
Targeted Aid	10,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Charter School-Indirect Aid	546,439	695,888	985,837	1,297,666	1,311,706
Full Day Kindergarten	4,038,500	4,428,500	4,660,000	4,163,000	4,489,000
Vocational Equity	1,391,500	1,535,000	1,535,000	1,512,500	1,910,500
Group Home Funding	8,235,000	8,310,000	8,910,000	9,075,000	8,910,000
Central Falls School District	34,430,272	35,635,332	37,804,405	41,241,503	41,248,560
Metropolitan School	3,982,350	5,750,000	7,261,968	8,814,530	9,406,956
School for the Deaf	5,234,183	6,051,609	5,747,462	6,206,102	6,478,348
Davies School	10,342,824	11,043,748	11,951,361	13,166,393	13,755,994
LEA Subtotal	\$641,293,197	\$660,469,140	\$666,502,805	\$685,883,086	\$706,621,618
Non-Distributed Aid					
On-Site Visits	\$407,002	\$408,842	\$403,486	\$407,935	\$407,935
Textbook Expansion	221,811	332,980	604,226	240,000	240,000
School Breakfast	-	647,872	642,860	600,000	600,000
Hasbro Children's Hospital	100,000	100,000	100,000	100,000	100,000
Professional Development	120,000	120,573	102,137	120,000	1,905,000
Charter School-Direct Aid	9,407,631	12,645,076	17,040,204	21,956,232	23,990,663
Prog. Support & Intervention	471,986	1,101,309	2,106,961	2,916,996	3,130,109
Telecommunications Access	-	-	602,965	176,965	277,965
Capital Construction	38,232,357	40,740,607	42,179,853	46,623,656	49,672,045
Teachers' Retirement	38,242,690	45,039,269	48,503,125	56,284,163	69,381,696
Non-Distributed Subtotal	\$87,203,477	\$101,136,528	\$112,285,817	\$129,425,947	\$149,705,413
Total Aid	\$ 728,496,674	\$ 761,605,668	\$ 778,788,622	\$ 815,309,033	\$ 856,327,031

* The Student Equity Fund and the Early Childhood Fund both have required set asides for Literacy of three percent.

Education Aid to Local Units of Government

	FY 2003 Actual	FY 2004 Actual	FY 2005 Unaudited	FY 2006 Revised	FY 2007 Recommend
Local Education Authorities					
Barrington	\$2,352,211	\$2,393,375	\$2,398,581	\$2,479,907	\$2,906,626
Burrillville	12,851,288	13,076,186	13,076,186	13,150,857	13,540,919
Charlestown	1,820,855	1,852,720	1,852,720	1,910,676	1,909,676
Coventry	18,556,464	18,881,202	18,881,202	19,151,316	19,903,170
Cranston	31,875,741	32,907,994	33,029,208	33,943,639	35,253,290
Cumberland	12,112,348	12,594,809	12,594,809	12,654,786	13,206,064
East Greenwich	1,765,450	1,796,345	1,810,042	1,860,042	2,178,616
East Providence	24,579,320	25,009,458	25,064,677	25,530,776	26,284,707
Foster	1,289,362	1,311,926	1,311,926	1,351,283	1,378,500
Glocester	2,943,574	2,995,087	2,995,087	3,065,960	3,159,848
Hopkinton	5,801,386	5,902,911	5,902,911	5,954,153	5,957,653
Jamestown	478,137	486,504	492,652	507,431	587,030
Johnston	9,962,918	10,137,270	10,188,342	10,413,716	10,903,894
Lincoln	6,835,988	6,955,618	7,012,603	7,064,696	7,545,267
Little Compton	320,227	325,831	341,592	351,839	396,888
Middletown	9,699,260	9,916,122	9,916,122	10,014,086	10,423,773
Narragansett	1,657,343	1,709,968	1,725,404	1,809,860	2,091,859
Newport	10,870,512	11,060,746	11,060,746	11,253,278	11,581,802
New Shoreham	86,319	93,128	93,128	101,451	135,660
North Kingstown	11,122,659	11,317,305	11,384,463	11,434,463	12,008,646
North Providence	12,235,439	12,449,559	12,511,050	12,624,509	13,091,637
North Smithfield	4,462,302	4,540,392	4,541,694	4,616,141	4,806,225
Pawtucket	60,024,535	61,074,964	61,615,712	63,784,560	64,874,304
Portsmouth	5,711,351	5,811,300	5,854,978	5,962,443	6,574,703
Providence	174,934,587	181,224,584	181,224,594	185,050,151	188,940,591
Richmond	5,729,717	5,829,987	5,829,987	5,903,843	5,912,343
Scituate	3,145,357	3,200,400	3,200,400	3,250,400	3,474,634
Smithfield	5,215,581	5,306,854	5,332,948	5,483,207	5,802,003
South Kingstown	9,598,923	9,766,904	9,766,904	9,948,816	10,516,526
Tiverton	5,457,594	5,553,102	5,553,102	5,659,091	5,896,220
Warwick	34,340,367	34,941,323	35,195,465	35,894,621	37,365,858
Westerly	6,146,521	6,284,205	6,386,546	6,528,189	7,060,711
West Warwick	18,643,537	19,275,597	19,341,994	19,499,965	19,972,977
Woonsocket	43,059,505	43,813,046	43,913,617	45,455,694	45,937,020
Bristol/Warren	18,853,809	19,183,751	19,267,184	19,554,956	20,024,144
Exeter/W Greenwich	7,092,069	7,216,180	7,227,202	7,308,493	7,511,299
Chariho District	352,610	360,305	368,936	380,004	888,008
Foster/Glocester	5,303,133	5,395,937	5,395,937	5,466,199	5,641,416
Met School	3,982,350	5,750,000	7,261,968	8,814,530	9,406,956
Davies	10,342,824	11,043,748	11,951,361	13,166,393	13,755,994
School for the Deaf	5,234,183	6,051,609	5,747,462	6,206,102	6,478,348
Central Falls	34,445,541	35,670,888	37,881,363	41,320,564	41,335,813
LEA Subtotal	\$641,293,197	\$660,469,140	\$666,502,805	\$685,883,086	\$706,621,618

Education Aid to Local Units of Government

	FY 2003 Actual	FY 2004 Actual	FY 2005 Unaudited	FY 2006 Revised	FY 2007 Recommend
LEA Subtotal	\$641,293,197	\$660,469,140	\$666,502,805	\$685,883,086	\$706,621,618
Non-Distributed Aid					
Teachers' Retirement	\$38,242,690	\$45,039,269	\$48,503,125	\$56,284,163	\$69,381,696
Capital Construction	38,232,357	40,740,607	42,179,853	46,623,656	49,672,045
On-Site Visits	407,002	408,842	403,486	407,935	407,935
Prog. Support & Intervention	471,986	1,101,309	2,106,961	2,916,996	3,130,109
Professional Development	120,000	120,573	102,137	120,000	1,905,000
Textbook Expansion	221,811	332,980	604,226	240,000	240,000
Hasbro Children's Hospital	100,000	100,000	100,000	100,000	100,000
Charter School-Direct Aid	9,407,631	12,645,076	17,040,204	21,956,232	23,990,663
School Breakfast	-	647,872	642,860	600,000	600,000
Telecommunications Access	-	-	602,965	176,965	277,965
Non-Distributed Subtotal	\$87,203,477	\$101,136,528	\$112,285,817	\$129,425,947	\$149,705,413
Total Aid	\$728,496,674	\$761,605,668	\$ 778,788,622	\$ 815,309,033	\$ 856,327,031

Historic Structures Tax Credit

In 2001, the General Assembly amended the Rhode Island General Laws and added Section 44-33.2-1 titled *Historic Structures – Tax Credit*. According to the law’s general purpose, the General Assembly stated that historic structures in the state “are not viable for the redevelopment and reuse by modern commercial, residential, or manufacturing enterprises” unless an “economic incentive” was provided to stimulate “the reuse and redevelopment of historic structures”. The General Assembly declared that the “reuse and redevelopment of historic structures...will improve property values, foster civic beauty, and promote public education, pleasure, and welfare.”

In order to provide the economic incentive required to redevelop and reuse historic structures, the General Assembly created a “credit against the taxes imposed” by Chapters 11 (Business Corporation Tax), 12 (Franchise Tax), 13 (Public Service Corporation Tax), 14 (Taxation of Banks), 17 (Taxation of Insurance Companies) or 30 (Personal Income Tax) “in an amount equal to thirty percent (30.0%) of the qualified rehabilitation expenditures” incurred “for the substantial rehabilitation of a certified historic structure”. Qualified rehabilitation expenditures consist of “any amounts expended in the rehabilitation of a certified historic structure properly capitalized to the building and either: (i) depreciable under the Internal Revenue Code..., or (ii) made with respect to property (other than the principal residence of the owner) held for sale by the owner.” Substantial rehabilitation requires “that the qualified rehabilitation expenses of the building...exceed fifty percent (50%) of the adjusted basis in such building and its structural components as of the beginning of” the redevelopment project.

The historic structures tax credit can only be used for the taxable year in “which such certified historic structure or an identifiable portion of the structure is placed in service”. If the amount of the historic structures tax credit earned “exceeds the taxpayer's total tax liability for the year in which the substantially rehabilitated property is placed in service, the amount that exceeds the taxpayer's tax liability may be carried forward for credit against the taxes imposed for the succeeding ten (10) years, or until the full credit is used, whichever occurs first for the tax credits.” In addition, a taxpayer eligible for the tax credits that “has not claimed the tax credits in whole or part,...may assign, transfer or convey the credits, in whole or in part, by sale or otherwise to any individual or entity” who then “may use acquired credits to offset up to one hundred percent (100%) of the tax liabilities otherwise imposed pursuant to Chapter 11, 12, 13, (other than the tax imposed under § 44-13-13), 14, 17 or 30” of the Rhode Island General Laws.

The first projects completed under this new tax credit provision were in CY 2002, when a total of \$4.0 million dollars of tax credits were made available. In CY 2003, a total of \$18.3 million of tax credits were issued, while in CY 2004 a total of \$32.9 million in additional tax credits were approved. The Budget Office estimates that in CY 2005 \$52.2 million of credits will be made available and, in CY 2006, \$84.6 million of historic structures tax credits will be certified. It is important to note that due to the carryforward provisions for the application of historic structures tax credits to taxpayer liabilities not all of the historic structures tax credits issued in a given year will be used contemporaneously to their issuance. As a result, the amount of historic tax credits used in a given fiscal year will differ from the amount of tax credits issued in the prior calendar year.

The table on the next page shows the Budget Office’s estimate of the impact of the issuance of historic structures tax credits by fiscal year and distributed across the State’s 39 cities and towns for the FY 2003 – FY 2007 period. These figures represent the State’s investment in each of these communities property tax base through the historic structures tax credit program.

Historic Structures Tax Credits by Cities & Towns

City or Town	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Total 2003 - 2007	FY
	Actual	Actual	Unaudited	Revised	Recommend		
Barrington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Bristol	-	-	549,370	1,106,892	299,057	1,955,319	-
Burrillville	-	-	-	-	215,321	215,321	-
Central Falls	-	-	-	-	-	-	-
Charlestown	-	-	-	-	-	-	-
Coventry	-	-	-	-	8,096,044	8,096,044	-
Cranston	-	-	-	-	-	-	-
Cumberland	-	542,421	572,928	418,833	5,816,333	7,350,514	-
East Greenwich	-	-	-	-	-	-	-
East Providence	-	-	-	-	-	-	-
Exeter	-	-	-	-	-	-	-
Foster	-	-	-	-	-	-	-
Glocester	-	-	-	-	-	-	-
Hopkinton	-	-	-	-	-	-	-
Jamestown	-	-	-	-	-	-	-
Johnston	-	-	-	-	-	-	-
Lincoln	-	-	-	-	315,445	315,445	-
Little Compton	-	-	-	-	-	-	-
Middletown	-	-	-	-	-	-	-
Narragansett	-	-	-	-	-	-	-
Newport	35,715	381,036	1,262,348	3,944,672	1,298,566	6,922,336	-
New Shoreham	-	-	415,925	10,000	218,496	644,420	-
North Kingstown	-	-	-	-	-	-	-
North Providence	-	-	-	-	-	-	-
North Smithfield	-	-	-	-	6,818,499	6,818,499	-
Pawtucket	-	-	5,507,564	1,771,828	2,031,238	9,310,630	-
Portsmouth	-	-	-	-	-	-	-
Providence	8,887	10,690,836	20,550,266	36,399,419	36,261,568	103,910,975	-
Richmond	-	-	-	-	-	-	-
Scituate	-	-	-	-	-	-	-
Smithfield	-	-	-	-	-	-	-
South Kingstown	-	-	-	-	-	-	-
Tiverton	-	-	-	-	-	-	-
Warren	-	-	-	175,132	-	175,132	-
Warwick	-	-	-	-	385,784	385,784	-
Westerly	-	-	182,187	99,658	152,519	434,364	-
West Greenwich	-	-	-	-	-	-	-
West Warwick	-	-	-	-	-	-	-
Woonsocket	-	-	-	-	2,157,702	2,157,702	-
Totals	\$44,602	\$11,614,293	\$29,040,586	\$43,926,434	\$64,066,571	\$ 148,692,485	

Note: Budget Office estimate of the distribution of historic structures tax credits per Historical Preservation & Heritage Commission report of October 20, 2005.

Internal Service Fund Accounts

Internal Service Fund accounts are established to finance and account for the operations of certain state programs that provide services to other state agencies, institutions and other governmental units on a cost reimbursement basis. The purpose of such accounts is to ensure that the activities of the respective programs are managed in a businesslike manner. They are intended to promote efficient use of services by making agencies pay the full costs associated with providing the service and allocate the costs of central administrative functions across all fund types, particularly so that federal and other non-general revenue funded programs share in the costs.

Each Internal Service Fund develops its own billing structure, which is reviewed on an annual basis prior to the start of each fiscal year. In most cases, direct charges associated with a service being provided to a user agency are billed to that agency, along with an overhead charge for the administrative costs of operating the respective fund.

In conjunction with the proposal to establish two new Internal Service Funds in FY 2007, the Department of Administration engaged a consulting firm (Maximus) that has considerable experience in the development of cost allocation plans. This firm has been contracted to undertake several tasks. First, to review Rhode Island's current statewide cost allocation plan and assist in the development of the next statewide cost allocation plan for submission to the cognizant federal agency. Second, assist in the development of cost allocation plans for the proposed new internal service funds. Third, review existing internal service fund cost allocation plans and propose changes or improvements. The firm will be providing a report to the Department in early February and will work with the Department and the various fund managers in developing new or revised cost allocation plans for FY 2007 implementation.

Section 5 of Article 1 of the FY 2006 Appropriations Act requires the Governor to include as part of the FY 2007 Budget descriptions of the various Internal Service Fund accounts, with an explanation of their purposes and the efficacy of continuation them under an Internal Service Fund structure. The FY 2007 Budget includes financing recommendations for sixteen (16) Internal Service Fund accounts. This is an increase of two over the FY 2006 enacted budget due the inclusion in FY 2007 of the new Human Resources Service Centers and Facilities Management Internal Service Funds.

On the following pages are descriptions of each of the Internal Service Fund accounts requested as part of the FY 2007 Budget, with explanations of their purpose and the rationale for utilizing this structure for funding the respective program.

Department of Administration

Internal Service Fund: Central Utilities

Description:

The Central Utilities Internal Service Fund is responsible for the administration and fiscal management of electricity services provided to the state.

Purpose

This unit processes all monthly payments for over 1,600 electric accounts to the state's primary supplier of electricity, National Grid. Expenditures are then billed to the respective agencies based upon the electricity usage determined by the meters assigned to that agency. In addition, this unit's overhead costs are allocated to user agencies based upon the number of meters assigned to the agency.

Efficacy

Without this Internal Service Fund, each state agency would be independently responsible for paying electric bills for the meters assigned to that agency. This would require an internal distribution of costs to all applicable accounts within the agency, a service that is now provided by the central unit.

Internal Service Fund: Automotive Fleet**Description:**

The State Automotive Fleet Internal Service Fund provides for the administration and fiscal management of state-owned vehicles and operates several fuel depots throughout the state

Purpose

This program oversees the procurement, maintenance and allocation of 2,900 vehicles, including heavy-duty vehicles, boats, trailers, and maintenance equipment. Agencies are billed biweekly for expenses including repairs, fuel, and a surcharge (per gallon) for the operation and maintenance of fuel depots. The administrative costs for the Office of State Fleet Operations (OSFO) are charged to agencies per vehicle on an annual basis. All agencies share these overhead costs in an equitable manner.

Efficacy

Decentralization of automotive fleet functions would result in duplication of efforts, inconsistent policies and procedures between agencies, loss of control over new vehicle purchases, and the absence of a central comprehensive database, which would make it difficult to meet mandated federal reporting requirements on alternative fuel vehicles. In further efforts to enhance this process, the Department of Administration intends to review the benefits of outsourcing certain fleet operations, primarily maintenance and repairs.

Internal Service Fund: Surplus Property**Description**

This internal service fund oversees the acquisition and distribution of federal surplus property, as well as the storage and disposal of state surplus property.

Purpose

Section 42-56.2-1 of the RI General Laws requires the appointment of a Federal Surplus Property Officer by the Director of Administration. This position is authorized to acquire from the federal government surplus property that may be of benefit to the state, local governments or non-profit educational or charitable institutions. This position oversees the Surplus Property Internal Service Fund. Although the Fund will acquire federal surplus property on behalf of state agencies or other eligible recipients, they do not bill for this service. The only revenue currently generated is from charging state agencies for the storage of property at a Quonset Point warehouse. Agencies are charged an agreed upon amount based on square footage of use. These revenues are used to help maintain the building, rent a forklift and pay for materials and supplies.

Efficacy

The staff responsible for overseeing the surplus property program is funded with General Revenues and thus these costs are not allocated to user agencies. As stated above, the only billings made by this internal service fund are currently for space rental at a state warehouse. Without the existence of an internal service funds, these costs could be billed to the user agencies using an alternative accounting method or the costs to operate the warehouse could be fully funded with general revenues, thereby eliminating the need to bill any agency for storage.

Internal Service Fund: Facilities Management

Description

The establishment of this new Internal Services Fund will create a consolidated facilities division. The operation, maintenance and repair of all buildings, fueling depots, some grounds and central power and heating plants at the Department of Administration (DOA); Children, Youth and Families (DCYF), Human Services (DHS); Labor and Training (DLT) and Mental Health and Retardation and Hospitals (MHRH) will fall under this program.

Purpose

This Internal Service Fund will improve efficiency through central management of the maintenance and repair of state-owned facilities. The use of state employees instead of vendors will save money and provide more prompt service.

Efficacy

Through the sharing of personnel and resources, this program will allow for better coordination of services, decrease or eliminate duplication of efforts, and reduce dependency on outside vendors for routine repairs and maintenance. Expertise formerly available to only one agency will be available to all agencies under the consolidation.

Internal Service Fund: Information Processing

Description

The Information Processing Program is the State's Internal Services Fund for information technology. This program performs all programming, desktop support, wide area networking services and server administration. This unit also provides agencies with mainframe, network, desktop, and software and hardware maintenance services.

Purpose

This Internal Service Fund allows for resources, technicians and programmers to be shared amongst each of DoIT's customers. This reduces program expenses by allowing Departments to pay for services received rather than employ a full time IT staff person. A monthly billing statement is sent to each customer detailing services and expenses. Funds are then transferred out of the customer's (agency's) account and into DoIT's for compensation of services.

Efficacy

The goal of this Internal Service Fund is to improve efficiency from central management of IT labor and direct costs. Expenses are allocated to agencies via a billing system that applies direct labor and purchases to the agency budgets and allocates costs for certain categories of IT services (i.e. Mainframe usage).

Internal Service Fund: Central Mail

Description:

The Central Mail unit provides for inter-agency mail delivery and processing of United States mail for most state agencies.

Purpose

Aggregation of mail functions constitutes a major source of cost savings and cost avoidance for government operations statewide. Costs are allocated to agencies via a billing system that applies the internal and external costs to agency budgets.

Efficacy

This Internal Service Fund is used to allocate the cost of mail processing to various agencies. The current rationale for utilizing this methodology is to gain greater efficiency from the central management of mail processing services.

Internal Service Fund: Telecommunications/Centrex**Description**

The Telecommunications Internal Service Fund supports all voice and data communications infrastructure throughout state government, as well as the public information operators. Voice services include planning, procurement, provision, installation and maintenance of all voice telephone devices, lines and extensions, billing and vendor liaison. Data services include planning, procurement, provision, installation, addressing, routing and maintenance of all WAN data lines and data connections, access to the Internet, security and filtering, billing, and vendor liaison throughout state government.

Purpose

This Internal Service Fund, as with the Central Utilities Fund, processes all payments for voice communication services to the providers of these services (primarily Verizon). Agencies are then billed monthly for their usage, as well as an overhead charge allocated based upon the number of phone lines in each agency.

Efficacy

This Internal Service Fund is used to allocate the cost of telephone services to the various agencies. The current rationale for utilizing this methodology is to gain efficiencies from central management of direct and indirect telecom costs. Without the existence of this fund, each agency would be responsible for receiving and paying invoices for telecommunication services provided to their agency.

Internal Service Fund: Assessed Fringe Benefit**Description**

The Assessed Fringe Benefit Internal Service Fund makes payments for various employee fringe benefits. The fund generates revenue by assessing a charge against the amount of salaries and wages paid to state employees.

Purpose

The assessment charged by this fund pays for the following employee fringe benefits: services provided by the Donley Center; services of the Workers' Compensation Court and the Division of Workers' Compensation administrative costs related to workers' compensation activities; payments to Workers' Compensation providers; Workers' Compensation benefit payments to employees; Unemployment Compensation payments; and payments to employees for unused leave upon termination from state service.

Efficacy

This fund was established in part to eliminate the fluctuations in agency budgets that result from workers' compensation claims, unemployment claims, and termination costs. The use of the statewide assessment also meets federal cost allocation requirements.

Internal Service Fund: Human Resources Service Centers**Description:**

Four Human Resources Service Centers are proposed to service a cluster of departments and agencies as follows: human services agencies; public safety agencies; general government agencies; and transportation, natural resources, and educational agencies. The centers will be responsible for establishing and maintaining a human resources program to support agencies, standardize human resources policies, implement uniform human resources practices, automate tasks and, eliminate redundant activities.

Purpose

These service centers will eliminate disparate human resources practices among agencies, inconsistent application of state policy, a fragmented and uncoordinated use of technology, and the performance of redundant activities.

Efficacy:

Under the current human resources structure, nearly every department and agency within the Executive Branch is responsible for establishing and maintaining its own human resources programs, including personnel, labor relations, equal opportunity, training, workers' compensation and payroll. Nearly one hundred fifty full time equivalent positions are performing these activities across the various agencies. However, while some agencies are unable to provide adequate support in one or more of these functions, other agencies are overstaffed in these areas. The use of centralized service centers will allow for the more efficient use of staffing resources and elimination of duplicate and redundant activities, thereby resulting in savings.

Mental Health, Retardation and Hospitals**Internal Service Fund: Central Pharmacy****Description**

The Central Pharmacy provides medications and medical/surgical supplies to institutional level pharmacies within MHRH, as well as other state agencies and thirteen community based pharmacies that participate in the Community Mental Health Medication Assistance Program. In addition, fifty group homes and three skilled nursing facilities, operated by the Division of Developmental Disabilities, receive services, non-legend medications and medical/surgical supplies from this service.

Purpose

The purpose of the Central Pharmacy is to provide agencies with a stable source of medication and medical/surgical supplies. This warehouse distribution center obtains its supplies through volume purchasing and distributes them in bulk. Billing is done monthly on a cost plus markup basis, which provides for service expenses.

Efficacy

This Internal Service Fund is used to allocate the cost of services to various agencies. The current rationale for utilizing this methodology is to gain efficiencies from central management of medication and medical/surgical supply procurement and distribution and to gain better pricing through volume purchasing.

Internal Service Fund: Central Laundry**Description**

The Central Laundry is a production facility that processes soiled linens for the Eleanor Slater Hospital (MHRH), the Medical Examiner's Office (DOH) and the Welcome Arnold Center (DHS operated homeless shelter).

Purpose

The Central Laundry assures that clean linen is available for hospital patients, the Medical Examiner's staff and the homeless. This helps maintain a clean

This fund has historically been controlled and managed by telecommunications staff at the Department of Corrections. As part of the overall consolidation of Information Technology, this unit will be transferred to the Division of Information Technology within the Department of Administration.

Purpose

As with the Telecommunications Fund, this fund is responsible for paying for all local and long distance calling services incurred by users on the Pastore Campus. Overhead costs include internal technical services performed by the operations staff and contractors and related office and equipment costs. These overhead costs are charged out monthly based upon the number of phone extensions.

Efficacy

This Internal Service Fund is used to allocate the costs of telephone service to the various agencies at the Pastore Center. The current rationale for utilizing this methodology is to gain efficiencies from central management of telecommunication services. Without the existence of this fund, each agency at the Pastore Center would be responsible for receiving and paying for its own phone services.

Internal Service Fund: Correctional Industries

Description

Correctional Industries are the work programs in correctional facilities that provide real world work experience to inmates, teaching them transferable job skills and work ethic to help them prepare for post-release reentry and employment.

Purpose

Correctional Industries employ 218 inmates who manufacture various products or provide services to state agencies, cities and towns and non-profit organizations. This is the only self-funded reentry support program in corrections - no appropriated funds are required for its operation since it relies on revolving funds from the income generated by the sale of products and services produced through the program.

Efficacy

Because Correctional Industries' customer base not only includes state agencies, but also municipal and non-profit agencies, it is virtually impossible to have any mechanism other than an Internal Services Fund to allow for the continuation of this program.

Secretary of State

Internal Service Fund: Record Center

Description

The State Records Center stores and manages the nonpermanent records of state agencies and funds the Public Records Administration office. This program, a central storage facility for inactive state government records, serves all state agencies.

Purpose

This Internal Service Fund ensures that state agencies pay only for actual records stored and services received. Most states and the federal government operate their programs through the same or similar means. A Master Price Agreement with Capital Records Management (CRMC) governs overall records storage costs and services. Although CRMC transports and stores the records, state agencies' service

requests are channeled through the Public Records Administration office. On a monthly basis, CRMC provides the PRA with a master invoice for all charges to the state, and also individual agency accounts.

Efficacy

The State Records Center could receive a direct appropriation of funds to cover the entire cost of record storage and other services for all agencies instead of each agency being allotted their own requested amount, but this method would not be as efficient as the current rotary account. A rotary account ensures that agencies pay for actual records stored and services received. A direct appropriation would be an estimate that would have to be revised at the end of the fiscal year.